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LEGISLATIVE HISTORY

Public Law 85-13

S. 323

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DIGEST OF PUBLIC LAW 85-13

WHEAT. Extends to the 1957 crop increased durum wheat acreage allotments; increases allotments by only 1 acre of durum (instead of 2) for each acre of the original allotment devoted to durum; limits the increase for any farm to 60 acres; and limits the extend to which farmers receiving increased allotments may participate in the wheat acreage reserve. Provides that no part of the increase, of that part of the original allotment on which the increase is based, may be put in the acreage reserve.

INDEX AND SUMMARY OF S. 323

- Jan. 7, 1957 Sen. Young, et al, introduced S. 323 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and referred.
- Rep. Anderson, Mont., introduced H. R. 2126 which was referred to the House Committee on Agriculture. Print of bill as introduced and referred.
- Feb. 20, 1957 Senate committee ordered S. 323 reported with amendment.
- Feb. 25, 1957 Senate committee reported S. 323 with amendments. S. Report 97. Print of bill and report.
- Mar. 8, 1957 Senate passed S. 323 with amendments.
- Mar. 11, 1957 S. 323 was referred to the House Committee on Agriculture. Print of bill as referred.
- Mar. 18, 1957 House committee reported S. 323 without amendment. H. Rept. 198. Print of bill and report.
- Mar. 19, 1957 House passed S. 323 without amendment.
- Apr. 2, 1957 Approved: Public Law 85-13
(Statement by President)
- Hearings: Senate Agriculture and Forestry Committee on S. 323, Jan. 25, 1957.
- House Committee on Agriculture, Misc. Hearing, "Durum Wheat", Serial D., Feb. 7, 1957.

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DURUM WHEAT ACREAGE ALLOTMENTS FOR 1957



HEARING
BEFORE THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

S. 323

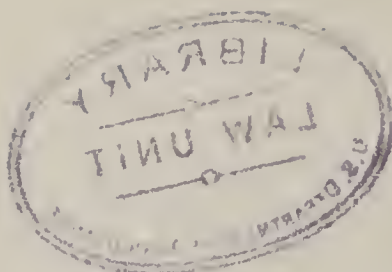
A BILL TO AMEND SECTION 334 (e) OF THE AGRICULTURAL
ADJUSTMENT ACT OF 1938, AS AMENDED, RELATING TO
INCREASED ALLOTMENTS FOR DURUM WHEAT

JANUARY 25, 1957

Printed for the use of the Committee on Agriculture and Forestry



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DURUM WHEAT ACREAGE ALLOTMENTS FOR 1957

FRIDAY, JANUARY 25, 1957

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to call, at 10:10 a. m., in room 324 Senate Office Building, Senator W. Kerr Scott, presiding.

Present: Senators Johnston, Humphrey, Scott, Talmadge, Young, Thyne, and Mundt.

Also present: Senator Langer.

Senator Scott. The meeting will please come to order.

The committee will consider S. 323.

(S. 323 is as follows:)

[S. 323, 85th Cong., 1st sess.]

A BILL To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction

of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection."

Senator SCOTT. Mr. Young, if you will introduce the witnesses.

Senator YOUNG. Mr. Chairman, I am happy that the chairman of the committee called a meeting to consider this durum-wheat legislation.

You will recall that we had legislation somewhat similar to what is now being considered for the past 3 years. It started with a rust epidemic, during which the durum-wheat production, about 5 years ago, dropped from the normal of 35 million to 45 million bushels a year down to 5 million bushels. Through this legislation we had enabled and encouraged farmers to achieve more durum-wheat production. This year the production is about back to normal.

Some take the position legislation is no longer necessary, but I believe the witnesses here today will provide ample proof that we need this legislation one more year at least, in order to keep a normal supply of durum-wheat on hand in the country to supply our needs.

We have several witnesses here. I think, Senator Murray, that you have a witness.

Senator MURRAY. I have one witness.

Senator YOUNG. Would you proceed, then?

Senator TYRE. Mr. Chairman, before Senator Murray commences, we have an Appropriations Committee session on defense appropriations at 10:30 this morning, and I should be there, as I am one of the members on that subcommittee.

I just want to make this statement prior to Senator Murray's statement so I shall not have to interrupt him. I will leave my proxy with Senator Young in the event there is a vote to be taken on this bill at the close of this session.

As you know, I am one of the cosponsors of the bill, so I am in complete support of it.

Thank you.

Senator YOUNG. Thank you.

Senator SCOTT. Thank you, Senator.

STATEMENT OF HON. JAMES E. MURRAY, A UNITED STATES SENATOR FROM THE STATE OF MONTANA

Senator MURRAY. Mr. Chairman, my function here this morning is very simple.

I, of course, have been in support of this legislation during all the time it has been before the Congress. I remember when Senator Young first brought it to my attention, and it seemed to me a very fine opportunity for the farmers of Montana to produce durum wheat on land there that would go idle if we did not have the opportunity of planting it.

This morning it is my privilege to present to the committee a gentleman from my State who has been elected to the House of Representatives and who is a farmer and producer of durum wheat himself. He knows the durum-wheat problem from start to finish. So, it is now my pleasure to call your attention to him and ask you to listen to him, and he will give you a very full explanation of the program.

Congressman Anderson has introduced a measure identical to Senate

bill 323 in the House of Representatives. Our whole Montana delegation supports the bipartisan proposal to permit farmers to plant 1 acre of durum wheat for each acre planted to durum out of their acreage allotment. Last year the bonus was 2 acres, for each acre of allotment planted to durum.

We feel that a one-for-one bill is needed this year. Congressman Anderson, a grower, can best explain our reasons to you, and it is a real pleasure to me to introduce to you Mr. Anderson.

STATEMENT OF HON. LE ROY H. ANDERSON, REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF MONTANA

Mr. ANDERSON. Thank you, Senator Murray.

Mr. Chairman, gentlemen of the committee, I will try to make my remarks as practical and to the point as I can, speaking in behalf of the bill to provide a one-for-one additional allotment for durum wheat raised in lieu of other wheat, within the Department's limitations.

In order to have something to speak to, I think that I should point out that the Department of Agriculture has indicated in a letter to us, and I presume they will perhaps present this to you later, that they are not greatly concerned about the durum wheat production. They claim that consumers will accept what they call alimentary pastes produced from blends, and did accept them during the shortage that existed when North Dakota was first hit by the rust, and they claim that the processors will resist the use of durum wheat when the prices are up.

I will be happy to put this letter to Senator Murray in the record, if desired.

Senator SCOTT. Without objection, so ordered.

(The letter referred to is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 24, 1957.

HON. JAMES E. MURRAY,
United States Senate.

DEAR SENATOR MURRAY: This is in reply to your letter of December 30, 1956, in which you requested data and other information concerning our experience with the several incentive durum wheat (class II) production programs that were promulgated under Public Laws 290, 8, and 431 for the years 1954, 1955, and 1956, respectively.

The production figures for the 1956 durum wheat crop by counties has not yet been reported and we expect it will be several weeks before the data is available. Rather than further delay this reply, we are now reporting 1954 and 1955 production for the States of Minnesota, Montana, North Dakota, and South Dakota. California was not included in the 1954 and 1955 programs.

The tables bearing the title "Durum (Class II) Accomplishments" for each of the participating States for 1954 and 1955 are, we believe, self-explanatory. They report the number of farms by counties participating in the program for the 2 years; the increase in acreage allotments under the program; the total wheat acres; total durum acres; the bushels of durum harvested and the value of the durum wheat produced in each participating county. We used the annual average price for No. 2 Hard Amber Durum Minneapolis quotation to estimate the value of the crop produced in each county.

Table II titled "Wheat: Monthly Cash Prices at Minneapolis for No. 1 Dark Northern Spring 15 Percent Protein and No. 2 Hard Amber Durum" reports the price paid for these two classes of wheat by months for the years 1952, 1953, 1954, 1955, and to December 1956. It also reports the average monthly bushel price spread between the two classes of wheat. However, we used the annual

average price for No. 2 Hard Amber Durum to estimate the value of durum wheat harvested by each participating county and State's total for the 2 years of 1954 and 1955. These values are reported for each State on their respective "Durum (Class II) Accomplishments" tables.

Table I and table II report the "United States supply-disposition" beginning with 1948 through 1955, with 1956 indicated and 1957 estimated. Please note that table I reports on both class II and class III of durum wheat; durum wheat (class II) is capable of producing amber durum wheat from which semolina is milled principally for the production of alimentary paste products while class III is Red Durum and is not suitable for the production of semolina. Therefore, table II is the one in which we are interested, but we supplied table I so that you may make a comparison of the two. Some durum-wheat reports, prior to 1954, include Red Durum production data which distorts the production data from durum wheat (class II).

We hesitate to request incentive durum-wheat legislation for 1957 principally because of the macaroni industry's small usage of semolina since the harvest of the 1956 crop and, more particularly consumers' acceptance of macaroni products made from blends of wheat other than durum and durum wheat. Historical use of semolina by the macaroni manufacturers is no longer a safe criteria or basis on which we can establish reasonable domestic demand.

The macaroni-manufacturing industry has demonstrated over the last several years that they have succeeded in producing consumer-accepted alimentary paste products made with farinaceous blends that were obtained by milling wheat other than durum and durum wheat. At the beginning of the "black stem rust race 15b" epidemic we believed that the macaroni-products market would be lost to foreign macaroni producers and/or consumers would substitute other products for macaroni products. At that time macaroni products made with 100 percent farina or blends of farina and low quantities of semolina were believed to be inferior to products made with semolina. This belief has not become factual. Our domestic consumers have accepted paste products made from blends of farina and semolina.

In addition, macaroni producers have demonstrated their reluctance to buy semolina when the market for No. 2 Hard Amber Durum was in the area of \$2.70 to \$2.80 per bushel. In fact the market broke because there were so few buyers for durum wheat (class II). Had the consumer seriously rejected paste products made with blends, macaroni producers would have paid the price for semolina obtained from milling No. 2 Hard Amber Durum rather than risk the loss of their market, but they were convinced such would not be the case. Time has proven the soundness of their judgment.

If an incentive program is promulgated we believe it will invite overproduction, which is quite possible now that rust resistant durum-wheat varieties are available for commercial plantings. If we proposed an incentive durum-wheat program for 1957 and overproduction occurred, we would then be a contributing party to our more than abundant Commodity Credit Corporation wheat stocks. In the event an insufficient quantity of durum wheat (class II) is produced in 1957, macaroni manufacturers may readily produce their products from blends without fear of consumer rejection.

Our study convinces us that the supply of durum wheat (class II) is normally in excess of domestic consumption requirements for the 1956-57 crop year to such an extent that we are able to export at least 10 million bushels, and that there are now available for 1957 planting reasonable quantities of the four durum wheat (class II) varieties which possess exceptional resistance to black stem rust race 15b. This strengthens our conviction that durum-wheat producers in the States of North Dakota, South Dakota, and Minnesota should not suffer the extensive losses caused by previous rust epidemics. Durum wheat produced in Montana and the Tule Lake area of California is not disturbed by rust race 15b. Therefore, we believe it is reasonable to expect that the normal supply and demand that now exists will continue with the 1957 crop.

The present supply and distribution situation for the 1956 crop appears to be about as follows. This is based on the assumption that industry will revert to their former 100 percent semolina usage which has not as yet occurred on an industrywide basis. At the beginning of the 1956 spring wheat crop year we had an estimated carryover of 5 million bushels of 1955 durum wheat (class II) and a 1956 harvest of about 39.6 million bushels. From this total supply of 44.6 million bushels, we were led to believe that industry would use about 25 million

bushels. We will probably export at least 10 million bushels and use about 2½ or 3 million bushels for seed, leaving us a free balance of 6 or 6½ million bushels to be carried over into 1958.

For these reasons we do not believe it advisable to promote a 1957 program for durum wheat (class II).

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Senator SCOTT. Congressman, you mentioned that the Department of Agriculture may take an indifferent attitude. Now, are they opposed to it, as far as you know?

Mr. ANDERSON. Their statement says:

We hesitate to request incentive durum-wheat legislation.

It is not an active opposition. It is, I would judge, a failure to support.

Senator SCOTT. That is what you can call a flexible observation; is that not right?

Mr. ANDERSON. Yes.

And in this letter they present several reasons to back up their hesitancy.

The first reason is that they say that we will have enough without incentives, and then they say that if we do not have enough, that the consumers will accept substitutes.

Well, their position there is a little bit like that of the fellow who was up in court charged with having stolen an iron kettle. They had the kettle there at the court, and while he was being tried he got up and said, "Look, that weighs about 100 pounds, I could not have run away and stolen that kettle."

But they had witnesses to prove that he had, and so then he said, "Well, that kettle was in good shape when it was recovered." And then they presented a witness to establish that the kettle was cracked when they had taken it from his domicile and was no longer useful, and so he said, "Well, that kettle was already cracked when I stole it."

And that is the position of the Department of Agriculture here. They are telling us that we can get an adequate supply of durum wheat without incentive legislation, and then they are saying that if we don't get an adequate supply, well—we didn't need it anyway.

I would like to deal first very briefly with the question of whether or not we should encourage a situation in which we will have to accept substitutes.

Now, they make the point that the consumer has accepted substitutes. We know they had no choice; there was no durum. They slipped in what they could, but it was not enough, so they had to accept substitutes. But I can remember in World War I when we had to use oat flour with other flour when we baked our bread, we used it but we didn't like it—well, you will accept a substitute if you have to. But in the long run that is going to lead to inferior products and the loss of our markets.

Senator YOUNG. Could I interrupt you?

Mr. ANDERSON. Surely.

Senator YOUNG. Is it not true that many of the consumers did not know that they were buying a substitute because many of the producers of macaroni and spaghetti kept on advertising their product to be a completely 100-percent semolina or durum wheat product, so they did not know they were buying a substitute?

Mr. ANDERSON. Yes; there are not sufficient safeguards to inform the consumer of adulteration.

I would like to commend those of you who put in the bill last session to require semolina products to be labeled, so they must have at least 75 percent of semolina in them, and I hope you get such a bill through this year.

And then, along that line, in order to bring you in, Senator, we might by analogy with the tobacco industry point out that unless we can assure them a reasonably certain and steady supply processors are not going to build up the macaroni market for the high-quality semolina product. If Lucky Strike knew that 2 years out of 3 they would have only inferior stems and leaves and sweepings and stuff to make their cigarettes out of, they would not build up quality markets for the product that they would like to turn out. The same thing is certainly true of the durum growers, that is, unless we can assure them, as we have not been able to do in the past, unless we can assure them that we will produce enough durum to meet their needs, they are not going to build up the durum market and we are going to lose it to foreign countries and we are also going to lose the present good export market which we have for these durum and semolina products.

Senator YOUNG. In Montana 3 years ago I think that your durum production was around 1 million or 2 million bushels a year, and this last year, 1956, your production increased to around 17 million bushels.

I think that it is rather important to find out what the farmers in Montana would do in the absence of this legislation. Would your farmers continue to plant that many acres if there was no legislation?

Mr. ANDERSON. No, Senator. I think we would almost eliminate the production of durum. It is only being grown in Montana as a substitute.

We raise premium spring wheats. In the durum area, it is only being grown as a substitute because of that incentive, because within our allotment we can plant more acres of durum.

Senator YOUNG. You get additional acreage.

Is your hard spring wheat and winter wheat better yielders, and are they more sure yielders than durum wheat?

Mr. ANDERSON. You are more sure with them and, in general, they are better. You will find farmers who will say that durum has produced as well for them as their spring wheats, but if you talk to 100 or 1,000, as I did in the last campaign, I think that you will find most of them regard durum as a rather risky crop, the reasons being that if drought strikes they might get almost no crop, in the eastern part of the State you may have rust, and it is very susceptible to shattering by wind or light hailstorm and it has other disadvantages which make farmers reluctant to raise durum, one being that it is a weed, and a noxious weed, in our spring wheat area.

If you get more than 2 percent or 3 percent of durum wheat volunteering in your spring-wheat fields, then your spring wheat has to be sold as feed at perhaps half the price of wheat. And, of course, the reverse is true; if you get more than about 5 percent of spring wheat volunteering in your durum-wheat fields, then your durum must also be sold at about half the price as feed. So Montana farmers are very reluctant to raise durum unless there is a very substantial incentive.

I think that is borne out by the acreage figures. In 1954, although there was good incentive in that year, the farmers had not learned too

much about it and they raised only 14,000 acres of durum—well that is negligible, of course.

In the following year they raised 270,000, and last year, under the 2-for-1 bill, they raised almost 1 million acres of durum.

Well, that was the result of the incentive. So, we went from a negligible production up to a production last year in which we produced almost exactly the same as North Dakota. We each raised approximately 18 million to 20 million bushels of durum, which makes up almost the entire United States production.

Senator YOUNG. I think we should explain at this time that the bill before us would give to any wheat farmer who plants 1 acre of his regular wheat quota to durum wheat, 1 additional acre over and above that. So he would have to reduce his plantings of spring wheat and put it into durum wheat. In doing so he would gain a little additional acreage over and above his regular quota.

The legislation last year provided that he gain 2 additional acres. This year it provides only 1 additional acre, and the legislation previous to that was wide open. Any farmer could plant all of the durum wheat that he wanted over and above the quota. It was so risky to plant durum that not many farmers took advantage of it.

But now, because of some new varieties, durum is a surer crop but, as Congressman Anderson pointed out, it is still a much riskier crop to grow than other wheat, and we all feel in the absence of legislation of this kind that durum-wheat production would drop down to perhaps not more than half of the needs of this country.

Senator JOHNSTON. In other words, you feel you've got to encourage it to get the amount of production necessary?

Senator YOUNG. That is right.

Senator JOHNSTON. And also there is this other thing, that they will not grow it because of what Mr. Anderson has quoted, because if they grow it on their wheatland this year and start to grow the other wheat the following year, it reduces the values of the wheat; isn't that true?

Mr. ANDERSON. That is a serious problem.

If you can use enough care to reduce the danger of that happening, it is a different matter—but, Senator, we have some other witnesses from the grain trade and the macaroni interests who can do a much better job of explaining the difference between the two than I can, it is a different type wheat.

Senator JOHNSTON. Is it a hard wheat?

Mr. ANDERSON. It is a hard wheat; yes.

Senator JOHNSTON. Is it in short supply or surplus production?

Mr. ANDERSON. It is above normal production this year and we have a little more than normal carryover.

Senator JOHNSTON. Is any held by CCC now?

Mr. ANDERSON. Yes; most of the crop is put under CCC loan at harvesttime so that the farmer can pay his bills, and then, as the market will absorb it, the durum is moved into the market and the CCC loan is paid off. I am sure substantial amounts are still under loan.

Senator JOHNSTON. Does it have the same support price as does other wheat?

Mr. ANDERSON. Durum is about 20 or 25 cents higher than our hard spring wheats.

Senator JOHNSTON. I think you pointed out that it was in short supply until last year.

Senator YOUNG. That is right.

Senator JOHNSTON. And that is the reason for this preferential treatment?

Senator TALMADGE. It has been in short supply but now is about normal?

Senator YOUNG. Yes.

Senator TALMADGE. And the treatment under price support is the same as other types of wheat?

Senator YOUNG. There is a quality factor. The price supports on wheat are based to some extent on quality, and because of the protein content durum does command a little higher support than other wheat. Am I right on that? Someone back there said it is 25 cents and up.

Senator TALMADGE. Suppose a farmer has an acreage allotment of 100 acres of wheat, say in North Dakota, how would this bill affect him?

Senator YOUNG. If he had 100 acres allotment, and if he planted 50 acres to durum wheat and 50 acres to spring wheat, then he would get 1 additional acre for each of those 50 acres of his regular allotment he put in durum.

Senator TALMADGE. In other words, he would have 150 acres?

Senator YOUNG. Yes; and last year it was 200 acres, under the program.

Senator TALMADGE. What States produce this durum wheat?

Senator YOUNG. Well, until this special durum wheat legislation North Dakota produced about 90 percent of the durum wheat produced in the United States. But our farmers, because of a severe epidemic of rust, known as race 15-B, and because we did not have a variety of durum wheat that was resistant to it, greatly reduced their production. This legislation encouraged the farmers in South Dakota, North Dakota, Montana, Minnesota, and one county in California to plant more durum wheat.

Senator TALMADGE. Is any of it imported into this country?

Senator YOUNG. No. In the last year because of the shortage of durum wheat in this country there have been sizable imports of macaroni and spaghetti earlier this year.

Senator TALMADGE. Is any of it now exported?

Senator YOUNG. Yes; some is being exported.

Senator TALMADGE. It is a specialty wheat, then, for a specialty market?

Senator YOUNG. Yes.

Senator TALMADGE. No further questions.

Senator JOHNSTON. It was brought out, I think, that this bill does not give them the same preferential treatment they have been getting 2 years back.

Mr. ANDERSON. The first year they could plant what they wanted and the next year it was 2 for 1 and this year it is 1 for 1.

Senator YOUNG. Senator Talmadge, you may be a long ways from a principal wheat-producing area, but you asked some very pertinent questions. You are going to be a fine member of this committee.

Senator TALMADGE. Thank you. I am happy and glad to be associated with such a distinguished Senator as you, and particularly one that has done so much for the farmers of this Nation.

I am a farmer and I come from a farm State and while we do not produce a great amount of wheat, I am very much interested in wheat, as well as all agricultural products.

Senator JOHNSTON. Having known the Senator from Georgia for many, many years and knowing his activity with agriculture, I am certain he is going to be a lot of help to us in this committee.

Senator TALMADGE. Thank you for your compliment; you compliment me beyond my value.

STATEMENT OF HON. WILLIAM LANGER, A UNITED STATES SENATOR FROM THE STATE OF NORTH DAKOTA

Senator LANGER. Mr. Chairman, I might add this. The situation a few years ago was that, as Senator Young said, North Dakota raised 90 percent of the durum wheat. In Montana—we raised about 23 million bushels and Montana about 1,500,000 and north and west Minnesota about 1,500,000.

Now, as Senator Young said, that has increased because of the 2-for-1 legislation.

Up to a few years ago, they did not get any premium on the durum wheat but some years ago through the North Dakota Agricultural College experiments we finally got a premium and today the premium on durum wheat is between 20 and 22 cents. As a matter of fact, it is just as high, if not higher, than on spring wheat.

The trouble with durum wheat was that for 3 years there was practically a total crop failure in North Dakota. It was nothing unusual to see 320 acres of wheat—and Mr. Anderson will bear me out on this—nice, fine wheat that looked as though it would grow 25 to 30 bushels to an acre, and that wheat never was cut because it did not get ripe, because of what you call—what is the name of that thing that keeps it from getting ripe, some kind of an insect that gets into it, a little green insect—the straw fly, and as a result of those, the farmers in what is called the Triangle, 17 counties in North Dakota, had almost a total loss and it got so bad that, as Senator Young and I remember, 2 years ago the Federal Crop Insurance refused to insure that wheat—you remember?

Senator YOUNG. Yes.

Senator LANGER. Although we begged them to give those farmers crop insurance. They said, "The loss has been so great that we won't give you any insurance."

After they got this 2 for 1, as we did in Montana, Minnesota, and other places, they are getting along pretty good. I have got telegrams here that I want to put into the record and letters, and I have got many more in my office which I wish to file.

I have a letter and a telegram here for the record right now.

Senator SCOTT. Without objection, so ordered.

(The letter and telegram referred to are as follows:)

HELENA, MONT., *January 21, 1957.*

HON. WILLIAM LANGER,
United States Senator,
Washington, D. C.

DEAR SENATOR LANGER: I just wanted you to know that the farmers of Montana are appreciative of your effort to help them through Senate bill 323.

As a former attorney general and a former Governor I am well acquainted with farm conditions in this State. I am sure that Senate bill 323 will help the farmers a great deal. I am confident you have their support to help in any way possible in the passage of Senate bill 323.

Sincerely yours,

JOHN W. BONNER.

DEVILS LAKE, N. DAK., *January 24, 1957.*

SENATOR LANGER,
United States Senate Office, Washington, D. C.

We urge the passage of the durum program providing for both acreage and price incentives. This is a necessity to obtain adequate 1957 durum wheat production on our total minimum wheat acreage for North Dakota. Prompt passing will mean better soil bank participation.

AGRICULTURE COMMITTEE, DEVILS LAKE CHAMBER OF COMMERCE.
DONALD A. HESS, *Manager.*

Senator LANGER. We feel that especially in the 17 counties in North Dakota that if they do not get this 1 for 1, it is greatly going to decrease this crop, this acreage of durum and if we do not get it, if this durum is not raised, we are going to be losing the market and it is very important to keep up these markets and keep them from the other countries.

I might say that the farmers in North Dakota are 100 percent behind this program and I have had telephone calls and letters and telegrams from all of those folks that are interested in agriculture, and of course, almost all of us out there are interested in agriculture, and it is almost unanimous everywhere in the State, they are for the bill.

Senator JOHNSTON. Let me ask one other question for the record.

Can you grow as much per acre of this durum wheat?

Mr. ANDERSON. It depends on the season. In general, you raise a little less than of other wheats, but if it happens to be a season that is particularly suitable, you may in exceptional cases raise a little more, but on the average it is rather less.

Senator YOUNG. About 10 percent less.

Senator JOHNSTON. And those people knowing that there will be a sale for only a certain amount of that type of wheat is one reason why you have not grown any more than you have; is that right?

Mr. ANDERSON. Well, I suppose primarily it is because they do not want to take the risk, they are worried that they will not get anything or get a very small crop.

Senator LANGER. And it is true, Senator Young, is it not, that once in a while these farmers take chances, especially in the northern part of the State they will—how many crop failures would you say you had out there in 10 years, Mr. Anderson?

Mr. ANDERSON. We will always raise some crop if we have some rainfall, but in eastern Montana there probably have been 3 out of the last 5 what I would call in effect a failure.

Senator JOHNSTON. Do you know what amount is going into the loan?

Mr. ANDERSON. Most of it moves into a loan, initially, because that is where you get your money quick and every farmer has got to pay his bills in the fall and so he ordinarily takes a loan.

I produced something like 20,000 bushels of durum myself and that is what I did. I took a loan and then have been shipping it out whenever I can sell it for a few cents more than the loan. I am sure most of the durum will move into the normal market.

Senator JOHNSTON. What I am driving at is, that mostly they will not have after the season is finished, any left on hand or very little, if any?

Mr. ANDERSON. I would like, if I might, answer you by putting in table 2 from the Department of Agriculture, and enclosure to the letter I spoke of before, which indicates an estimated carryover of 8 million bushels at the end of this season, a reasonable carryover.

This table also indicates that we produced last year about 40 million bushels. The Department of Agriculture has estimated 30 million for next year and the disappearance figures which are shown here, disappearances for food, exports, and so on, indicate that with a normal production of about 30 million bushels, that we will have no real surplus problem.

In fact, as Senator Johnston already pointed out, we are taking out of acreage the wheats that are surplus and converting them to durum through this program; we are converting from a surplus type of wheat into a nonsurplus type of wheat.

Senator HUMPHREY. That is right.

Senator JOHNSTON. And the amount grown this last year, the increased production, in what States is that?

Mr. ANDERSON. Montana is the one that had the greatest increase.

I would like to present for the record, too, the durum wheat production from the Department of Agriculture bulletins.

North Dakota has, as Mr. Young pointed out, dropped way down back about 1953 and 1954 and it came back to about 12 million in 1955 and it was up to about 19 million last year.

Montana went from nothing, really, to 19 million, approximately the same thing, but Montana is going to drop back to nothing or pretty close to nothing again unless we have some incentive program.

Senator YOUNG. The farmers in North Dakota will continue with durum wheat more than any other State because it is traditionally a durum wheat producer.

But right now we have a variety of wheat which is imported from Canada called Selkirk, a much surer producer than durum wheat and the acreage of durum wheat would be very small in the absence of any durum-wheat legislation because of those factors. It is a more risky crop to raise and it is more susceptible to rust.

Senator HUMPHREY. We do not produce very much in Minnesota.

Mr. ANDERSON. The 1954-55 average I know you have not actually increased your production much. You went from an average of 600 million bushels down to 400 million in 1955—

Senator HUMPHREY. Not million, now.

Mr. ANDERSON. I am sorry, 400,000 bushels, from about 400,000 bushels to about 750,000 last year.

Senator HUMPHREY. I knew we were a small producer.

Mr. ANDERSON. You doubled your production last year over the previous year but it is still a very small figure.

If I could summarize, it seems to me that we have established that the only way we will get produced the amount of durum that the Department of Agriculture figures indicate can be consumed in this country is through an incentive program.

I am sure, in the opinion of the millers who will testify and certainly, in my opinion, and in the opinion of the housewives we must put out the kind of good product that can only be made with durum wheat. It is a big market and we can only develop it if we assure adequate supplies of durum.

Senator JOHNSTON. I notice that in North Dakota at 1 time your average was about 90 percent but now it is down to about 50 percent this last year.

Senator YOUNG. Yes.

Senator JOHNSTON. There are other places that have increased. Why did they go into this? I think we better go into that because there is a reason for that.

Senator YOUNG. Yes. I think Congressman Anderson gave you one reason.

I understand that in Montana the reason, the big reason is that the winter wheat crop was frozen out and much of that acreage was planted to durum wheat this spring, a thing that it not apt to occur this year.

Mr. ANDERSON. It will not happen this year. Most of our winter wheat is in excellent condition.

Senator JOHNSTON. That is what I wanted to bring out, that the large production last year was of the nature of an emergency situation.

Senator YOUNG. Yes, and the 2 for 1.

Senator JOHNSTON. That helped you.

Senator YOUNG. It was a good incentive. One to one is not as much.

Mr. ANDERSON. It will not bring in as many acres. And another point, those who do come in will have one-third less because before, they had 3 acres for each 1 of allotment and now they only have 2, so even if this bill is passed, we have written into the law a reduction in the durum acreage next year.

Senator YOUNG. Yes. It is a little confusing this 2 or 3 for 1, or 1 for 1. It is really 1 for 1 this year. The 2-for-1 program was last year—some called it 3 for 1 and call it 2 for 1 this year. There is a confusion there.

Senator HUMPHREY. For the record, because a lot of folks are going to read this who are not as familiar with this program, would you document that a little bit more? We have many people that misunderstood our farm programs simply because of the jargon and because the language used is something that is not familiar to the lay public.

Senator YOUNG. Well, if you had a 100-acre allotment and you planted 50 acres of that 100 acres to durum wheat, you would be permitted to plant an additional 50 acres to durum, and, of course, you have the other 50 acres for regular spring wheat and because you planted 50 acres of your allotment to the durum wheat you gain 1 additional acre over and above that so you would have the 50 acres of regular spring wheat and 50 acres of durum in your allotment and 50 acres outside of your allotment, because you planted 50 acres of your regular allotment in durum wheat.

I do not know whether I make it plain or not. In other words, you wind up with 150 acres in place of 100.

Last year, in a 100-acre allotment if you planted 50 acres of durum you were getting 2 for 1, or 100 acres over and above that.

Senator HUMPHREY. So you had 200 acres instead of 100?

Senator YOUNG. That is right.

Senator HUMPHREY. And the record ought to be and has been documented to point out that the durum wheat production is susceptible to many more natural hazards than the other types of wheat which are resistant to rust, resistant to many other types of rusts, varieties that have been developed. The whole theory in the wheat area is to try to get a wheat that is resistant to the many diseases that are constantly plaguing our wheat producers. The durum is a more desirable product for our millers, but is also a less desirable product for our producers because of the hazards of production and the possibilities of loss, which are much greater than in, for example—well, you mentioned the Selkirk variety which is a resistant type that is brought in from Canada.

All I can ever remember, as a boy in South Dakota and later on as a young man, and then an older one, is trying to get a wheat that was resistant, resistant to rusts in particular.

Senator JOHNSTON. All of that, plus the normal hazards of a yield that is 10 percent less—naturally the farmer would not be growing this type of wheat.

Mr. ANDERSON. Unless there is some incentive.

Senator YOUNG. We have some very good witnesses today. In fact, we have more than we have had in previous years. We have witnesses from the grain trade, farm organizations, and so on.

Mr. ANDERSON. Could I make one more point?

Although I presume one of your grain trade witnesses will bring it out, it concerns the way in which the low-quality, adulterated semolina products cook up, the kind of macaroni that they make, these mixtures of other types of wheat. When you do not have enough durum, they are an off-color product and they do not have the correct texture and generally if they are boiled a little too long, your macaroni, instead of being macaroni, is just a mush, a gray mess.

Senator HUMPHREY. And I want you to know that we have one of the best macaroni producers in the whole country in Minnesota. Mr. Ryan is here and he will testify to that.

Senator SCOTT. I wish to remind those present that we will have to adjourn at 12 o'clock. I believe that is required.

Senator HUMPHREY. Mr. Chairman, I just wanted to come in to indicate my obvious support of this measure, because I am a cosponsor with Senator Young.

I have to go to another meeting but I want to assure my colleagues from North Dakota and Montana and elsewhere that this is needed legislation and I am happy to be associated with it.

Senator YOUNG. Thank you.

Senator LANGER. And I am going to have to go to the Foreign Relations Committee. We are 100 percent back of this bill in North Dakota.

Senator HUMPHREY. We are trying to help the Midwest here and now we are going to have to go and try to do something for the Middle East.

Senator SCOTT. What I am interested in is, What are you going to do for the South?

Senator HUMPHREY. Off the record.

(There was discussion off the record.)

(The crop report tables referred to by Mr. Anderson are as follows:)

Durum wheat

State	Acreage harvested			Yield per acre			Production		
	Average 1945-54	1955	1956	Average 1945-54	1955	1956	Average 1945-54	1955	1956
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Minnesota.....	45,000	26,000	46,000	13.8	15.5	19.0	646,000	403,000	874,000
North Dakota.....	2,203,000	980,000	1,225,000	12.0	13.0	16.0	27,495,000	12,740,000	19,600,000
South Dakota.....	239,000	71,000	130,000	11.4	10.5	8.0	2,803,000	746,000	1,040,000
Montana.....	¹ 14,000	271,000	978,000	¹ 13.5	21.0	18.5	¹ 189,000	5,691,000	18,093,000
United States....	2,489,000	1,348,000	2,379,000	11.9	14.5	16.6	30,963,000	19,580,000	39,607,000

¹ 1954 only. Included with "other spring" wheat prior to 1954.

Durum wheat—United States supply—disposition (all durum wheat, including Red Durum class III)

	Unit	1948-49	1949-50	1950-51	1951-52	1952-53	1948-52, 5-year average	1953-54	1954-55	1955-56	1956-57 indi- cated	1957-58 esti- mated
Supplies:												
Beginning stocks (grain only, July 1).....	Thousand bushels.....	10,299	18,036	24,958	23,624	15,014	18,386	6,842	4,852	3,040	5,000	8,000
Production (all States).....	do.....	45,829	39,503	37,948	35,492	23,097	36,374	13,883	6,184	19,591	39,614	30,000
Imports (grain plus products).....	do.....	15	18	238	441	210	184	72	142	175	175	175
Total.....	do.....	56,143	57,557	63,144	59,557	38,321	54,944	20,797	10,142	22,806	44,789	38,175
Utilization:												
Food ¹	do.....	22,500	22,750	24,000	25,750	24,400	23,880	12,750	5,385	14,690	24,400	22,000
Feed and loss ²	do.....	6,759	4,240	1,969	1,616	785	3,073	855	144	106	464	500
Seed.....	do.....	5,265	4,085	3,610	3,218	2,940	3,824	2,165	1,458	2,500	2,500	2,500
Domestic disappearance.....	do.....	34,524	31,074	29,579	30,584	28,125	30,777	15,770	6,987	17,296	27,364	25,000
Exports:												
Grain.....	do.....	2,537	1,125	9,620	13,678	3,075	6,007	41	0	239	9,000	4,800
Semolina and flour.....	do.....	81	131	116	153	129	122	351	377	3176	225	175
Macaroni and products.....	do.....	965	269	205	128	150	343	383	338	395	200	200
Total exports.....	do.....	3,583	1,525	9,941	13,959	3,354	6,472	175	115	510	9,425	5,175
Total disappearance.....	do.....	38,107	32,599	39,520	44,543	31,479	37,249	15,945	7,102	17,806	36,789	30,175
Ending stocks (grain only, June 30).....	do.....	18,036	24,958	23,624	15,014	6,842	17,695	4,852	3,040	5,000	8,000	8,000
Estimated percent of production which was Red Durum.....	do.....	8	8	6	4	3	6	2	0	0	0	0
Total grind of durum wheat.....	Thousand bushels.....	21,084	21,630	23,337	25,533	23,668	23,170	11,915	5,861	14,000	24,000	19,350
Acres, yield, and production in 3 States ⁴ as reported by AMS through 1953:												
Acres planted.....	Thousand acres.....	3,278	3,767	2,918	2,586	2,328	2,975	2,103	1,637	1,385	2,551	2,300
Acres harvested.....	Thousand bushels.....	3,220	3,570	2,829	2,518	2,174	2,862	1,865	1,309	1,348	2,379	2,200
Yield per planted acre.....	Bushels.....	13.8	10.4	12.8	13.4	9.7	12.0	6.2	3.0	14.1	15.5	13.0
Production.....	Thousand bushels.....	45,142	39,072	37,212	34,762	22,493	35,736	12,967	4,982	19,580	39,607	30,000

¹ Total grind less exports of semolina and macaroni products, plus estimated use for breakfast cereals.

² Residual. Includes possible statistical errors in supply and utilization data as reported.

³ Assumes blends averaging 60 percent durum in 1953-54, 30 percent in 1954-55, 75 percent in 1955-56, and 90 percent in 1956-57.

⁴ North Dakota, South Dakota, and Minnesota. Beginning with 1954 Montana is included.

Source: Grain Division, Commodity Stabilization Service, Department of Agriculture, Washington, Jan. 2, 1957.

Senator YOUNG. Mr. Chairman, Congressman Otto Krueger would have liked to appear this morning but he is a member of the House Agriculture Committee and they have an important meeting this morning so he will not be able to be here. He asked if I could have this statement made a part of the record.

Senator SCOTT. Without objection, so ordered.

(The statement of Congressman Krueger referred to is as follows:)

STATEMENT FILED BY HON. OTTO KRUEGER, A REPRESENTATIVE AT LARGE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. Chairman, and members of the committee, I appreciate the opportunity to have this statement brought to the attention of the Senate Agriculture Committee in support of S. 323. I have introduced a similar measure on the House side and I again want to compliment Senator Young for his leadership in this legislation.

Now of the many sound reasons favoring passage of this measure, I wish to single out 1 point. Unless there is an incentive to durum raisers provided for this growing season, I believe instead of a carryover or even an adequate supply, there may be a shortage of quality durum wheat.

Members of this committee are familiar with what 15-B rust has done to the durum crop in recent years. It has cleaned out farmers all over the durum area in my State. The farmer has a choice now to plant durum or to plant rust-resistant varieties of hard spring wheat. Unless there is an incentive of some sort to plant durum, hard wheat is going to be his choice.

The bill now being considered by this committee would provide the needed incentive. By providing for a 1-for-1 increase, that is, providing for 1 acre of durum in addition to the regular allotment for each acre planted to durum within the regular allotment, it will encourage enough farmers to take the risks involved in durum planting to help insure an adequate supply of quality durum. At the same time, it will reduce the acreage devoted to planting of regular hard spring wheat.

While this committee will hear from many experts, I appreciate being able to present my views as a farmer as well as a Representative from the State of North Dakota, in support of S. 323.

Thank you, gentlemen.

Senator YOUNG. Mr. Chairman, the next two witnesses, Mr. George Mikkelson, president of the North Dakota Farm Bureau and Harold Hofstrand of the North Dakota Farm Bureau, are both farmers.

Mr. Mikkelson, will you go ahead with your statement?

STATEMENT OF GEORGE H. MIKKELSON, PRESIDENT, NORTH DAKOTA FARM BUREAU, GARSKE, N. DAK.

Mr. MIKKELSON. Mr. Chairman, and members of the committee, my name is George Mikkelson of Garske in Ramsey County, N. Dak. I am primarily a wheat farmer. I am president of the North Dakota Farm Bureau and I am speaking for that organization.

We appreciate the opportunity to appear before the committee as regards durum legislation for 1957.

At Devils Lake, N. Dak., on November 14, 1956, the delegates to the 14th Annual Farm Bureau Convention approved the following resolution:

We recommend reenactment of the 1956 durum law with the following change. Growers in those areas that qualified for the 1955 program should be permitted to seed 1 acre of durum in addition to their allotment, for each acre they seed to durum within their wheat allotment.

As background to their thinking, I would like to say that North Dakota has historically in the past produced about 86 percent of the durum raised in the United States.

Senator JOHNSTON. One question.

Senator Young brought out that if you grow 50 acres of durum wheat and 50 acres of other wheat you get another 50 acres, is that correct?

Senator YOUNG. That is right.

Senator JOHNSTON. What if you put it all in durum?

Mr. MIKKELSON. The man that had a 100-acre allotment, using that for example, and planted that 100 acres in durum could plant 100 acres outside.

Senator JOHNSTON. That would be 200 acres?

Mr. MIKKELSON. That would be 200 acres that could be put in.

Senator JOHNSTON. In other words, every acre that he plants in that durum, he gets 1 more acre?

Mr. MIKKELSON. That is correct.

To repeat: As background to their thinking, I would like to say that North Dakota has historically in the past produced about 86 percent of the durum raised in the United States.

Senator JOHNSTON. I think you should bring out that was just about half of the past.

Mr. MIKKELSON. Just about half, and they do not want to go as high as they did in the past, they felt that would be too high.

North Dakota farmers do not want to spread the durum acres over a larger area. However, they realized that they would not, within the area, and within present allotments, produce enough durum to meet market demands. Their decision was that it would be better to increase the production of their durum competitors than to require the processors to use substitutes and put out an inferior product for the consumers.

Now, analyzing the 1956 production we find that—

(1) Of a total 1956 production of 39,607,000 bushels, North Dakota produced 19,600,000 bushels; Montana 18,093,000 bushels or about 97 percent of the total. This was under a 2-for-1 incentive program.

(2) The Montana 1956 acreage was 978,000 compared to a long-range average of 14,000 acres. Many of these acres became available when the winter wheat crop suffered by killing frosts. We have been informed that if the present winter wheat crop comes through the Montana durum acreage will be reduced by 50 percent or more. Also that the Montana seeded winter wheat has just about taken up the allotted acres and there are not many left for durum.

(3) North Dakota seeded 1,225,000 acres in 1956 compared to 1945-54 average of 2,203,000.

(4) Both States had a high per-acre yield in 1956. North Dakota has a yield of 16 bushels per acre, or 4 bushels above the long-range average. Montana had a yield of 18.5—5 bushels above their long-range average.

Had normal yields prevailed, the production of the two States in 1956 would have been nearer 29 million bushels.

Senator THYE. How does it happen that Montana does not raise this type of wheat in the aggregate if its production per bushel is bigger than North Dakota?

Mr. MIKKELSON. Durum is not a safe crop in Montana, and on the long-range average, long-range policy, when they have only so many

acres to seed, they get higher yields and make more money off of their hard red spring than they do off durum.

Senator MUNDT. This just happens to be a particularly good year for wheat in Montana?

Mr. MIKKELSON. Yes, it is as a whole.

Now, there are areas of the State, I think, though others might know the local situation better, I think there are certain areas in Montana where they year after year can raise a high quality durum, but I have been told that area is limited.

Growers' planting intentions for 1957—which are a big factor—will be covered by Mr. Harold Hofstrand. They do not indicate that sufficient acres will be planted to meet market demands if there is not a durum program. And, growers have been told by some processors that they will not go into a 100 percent semolina product until the available supply and outlook is on a firmer footing.

These were the factors considered by the North Dakota Farm Bureau delegate body in making a request for a 1-for-1 durum program.

As stated, their resolution would exclude California. This, however, is not their intention and they do not wish to do so.

We ask that prompt action be taken, so that farmers can plan for their farming operations as quickly as possible.

If you have any questions, I will answer them as best I can.

I have another statement to present from the American Farm Bureau Federation:

The American Farm Bureau board of directors in its last meeting considered the necessity of a special program in 1957 for class 2 durum wheat.

It is in favor of granting producers 1 additional acre for each acre of durum planted within the regular allotment. However, the board is opposed to any such special allotment program being used to increase payments under the acreage reserve provisions of the Soil Bank Act.

Accordingly, it is suggested that Senate bill 323 be amended by adding at the end thereof the following new language:

Additional acreage reserve payments under the Soil Bank Act, Public Law 480, 84th Congress, shall not be made to any producer for any increased allotment added by this subsection.

Senator YOUNG. Mr. Chairman, I think that would be a reasonable amendment, and it was not my intention, as one of the sponsors, to increase the soil bank payments, but it can happen under this 1-for-1 deal.

Senator JOHNSTON. Let me ask one question right there. I think it is a good amendment, but let me clear this up: Where they have been growing this type of wheat over a term of years and they already have the acreage allotment, would this affect that?

Senator YOUNG. No; it would only affect the increase in acreage they would get because of the special legislation.

Senator JOHNSTON. In the future?

Senator YOUNG. No; just for the one year.

Senator JOHNSTON. I think that amendment would be all right; I just did not want them to be taking advantage of both the soil bank and this durum deal, that they would make a choice. That is the only thing.

Mr. MIKKELSON. If you have any more questions, I will answer them the best I can.

Senator JOHNSTON. One question. Do you find any opposition to this from the farmers of other varieties of wheat?

Mr. MIKKELSON. No; we have not. However, I will enlarge on that this way: If it was confined just to producers that had been raising durum before, why, then, I could see that there would be objection, but as the law is, they are all eligible if they wish to come in.

Senator YOUNG. If the State had a durum history.

Mr. MIKKELSON. Yes; if the State had a durum history.

Senator MUNDT. Why do you have to have that provision in there? Why is it necessary for the proviso that they have a durum history? Would the weather and the climate take care of that without having to put that in the law?

Mr. MIKKELSON. I think it would be spread out too much, and it would not be of any benefit to those who spread it out where it was spread out beyond that area that did not have the history and could not, because you cannot produce the quality to meet the market demand.

Senator JOHNSTON. I can see the necessity for this amendment to the man that had 100 acres planted all in durum this year, and he would have 200 acres; I was just trying to prevent his having 100 acres planted in other wheats and putting another hundred acres in the soil bank.

Mr. MIKKELSON. Yes.

Senator MUNDT. In one place in your statement I think you said that, and it sounded sensible to me, that they were willing to increase their production of durum rather than to require the processors to use substitutes. I just wondered what the substitutes were.

Mr. MIKKELSON. The substitutes for semolina is the farina that is made from the hard wheats.

And, as was discussed here previously, you can make macaroni out of it, but it is not a quality product, it is not as good as the other, and the consumers object to it.

Senator JOHNSTON. And that will discourage the use of macaroni, would it not, if you have an inferior product?

Mr. MIKKELSON. That is right.

Up in our area, the durum area, a lot of people that ate macaroni before had shut down a great deal because they do not like that substituted product, that pasty stuff that they were getting under that.

Senator YOUNG. Senator Johnston, Mr. Ryan, one of our witnesses, who represents the macaroni people, has some good figures on the consumption of macaroni and spaghetti, how that had gone down and went up again as soon as we had an ample durum supply.

Senator JOHNSTON. I just wondered whether you had any samples here.

Senator YOUNG. I am sorry, we have not.

Senator JOHNSTON. I think it would have been well.

Senator YOUNG. I have many samples in my office in North Dakota, and I wish I had some here. But there is a difference in the color, and a difference when you cook it.

Senator SCOTT. Could you arrange to cook a supper here for this crowd?

Senator YOUNG. I would be willing to do that.

Does that complete your testimony?

Mr. MIKKELSON. Yes.

Senator YOUNG. Our next witness is Mr. Harold Hofstrand, a member of the North Dakota Farm Bureau, and a durum farmer.

STATEMENT OF HAROLD HOFSTRAND, NORTH DAKOTA FARM BUREAU, LEEDS, N. DAK.

Mr. HOFSTRAND. Mr. Chairman and members of the committee, my name is Harold Hofstrand, of Leeds, N. Dak. I wish to express my gratitude for the opportunity of appearing before you this morning. I farm in the center of the durum-producing area of North Dakota and consequently am very interested in the legislation being considered here today. I am interested primarily in the fact that durum producers such as myself could lose their durum markets through an inadequate supply of durum this coming year for both economic and foreign consumption.

This statement is based on the study of planting intentions of farmers in areas such as the one in which I reside. As of today, the durum situation is ideal. United States Department of Agriculture figures gave us a total production of almost 40 million bushels last year, roughly 25 million bushels for domestic consumption, an estimate, as of now, of 8 million bushels for export, $3\frac{1}{2}$ million for seed, and about $3\frac{1}{2}$ million for carryover.

Now, three factors contributed to this very satisfactory 1956 production. First of all, the durum incentive program of last year—

Senator JOHNSON. The carryover of this type of wheat, or the percentage of carryover, is not anything like the carryover of other types of wheat?

Senator YOUNG. No. We have had a shortage rather than surplus.

Senator JOHNSTON. I understand that is right, that we had a shortage, and that this carryover or surplus now is necessary.

Senator YOUNG. Yes. And I think we should have a larger carryover to assure the manufacturers of macaroni and spaghetti that they would have an adequate supply at all times.

Mr. HOFSTRAND. And this $3\frac{1}{2}$ million does not represent the total carryover. It represents the carryover in terms of the estimated disappearance of the 1956 crop. There was the slight carryover from the previous year, and that would add to an overall carryover, but this 3,500,000 would apply to the 1956 crop.

Senator JOHNSTON. Well, on all of your crops it is necessary to have a small carryover always.

Mr. HOFSTRAND. I think that you are right, and I am very much in sympathy with you there.

To continue: First of all, the durum-incentive program of last year, ideal weather conditions which boosted the 1956 national yield by some 35 percent over the previous 10-year period, and lastly, participation of outlying areas such as Montana, in durum production.

However, there is genuine concern all through our area that this year we will fall far short of the 40 million bushel mark. A survey of farmers in Cavalier County, N. Dak., last November revealed some very interesting figures. This particular county is the durum producing center of the United States.

This survey revealed that prior to the 15-B rust epidemics of 1953-54, 80 percent of the crop acreage was in durum wheat. The planting intentions for next spring show that only 45 percent of this same acreage would be planted to durum. True, this is a slight increase of about 5 percent over what was planted last year. However, if the Montana crop is to be cut drastically, and all indications are that it will be, and if we have only a normal yield this year in North Dakota, national production may be in extremely short supply.

As producers, we are interested in seeing that there is an ample supply of durum for our home market so that our American processors can return to the 100 percent durum product, rather than the admixture they have been forced to use in the past. Many processors are getting back on a 100 percent durum basis and more will as they become assured of a prolonged adequate supply. Consumption of some semolina products has fallen off because of the inferior product resulting from admixture.

We are also fearful of losing our export market which has been substantially built up again after several years of little or no exporting at all.

No doubt you are wondering why our durum producers are reluctant to seed an adequate acreage of this crop this year.

One reason is the excellent performance this past season of a new Canadian spring wheat variety, Selkirk. This wheat has a marvelous yield potential when conditions are ideal such as they were in our area. It is also resistant to 15-B rust. Furthermore, it can be imported from Canada for seed purposes at a price which makes it more attractive than our own seed.

Another factor is the interest in the acreage reserve portion of the soil bank. As of today, most of the wheat in our area will be seeded only on summer-fallowed land and whatever is remaining of the farm's wheat goal will go into the acreage reserve. Generally, in our territory, durum is seeded on the ground the second year after fallow, hard wheat going on the fallowed land.

Another determining factor is the memory of the almost disastrous experience with durum in the 1953 and 1954 growing seasons wherein our yield average of durum wheat dropped to less than 3 bushels per acre as compared to our longtime average of 12 bushels per acre.

We have an adequate supply of rust-resistant durums to seed an acreage which will give us a national production to meet bushelage requirements for all purposes.

If an incentive program, such as the aforementioned one-for-one plan is adopted, I do not think the result would be a topheavy durum production. Rather durum would replace some acreage of barley and flax which would have been seeded on that same land had there been no incentive program and actually these two crops are much more apt to be in trouble from a surplus standpoint than durum.

Thank you very much. If you have any questions I should be pleased to try to answer them.

Senator TALMADGE. I would like to ask a question.

What is the present price of a bushel of Selkirk wheat?

Mr. HOFSTRAND. Selkirk can be purchased on the Canadian side—I happen to live 90 miles from the Canadian border—it can be purchased for seeding purposes, cleaned, treated, and bagged, at \$1.90 a bushel.

Senator TALMADGE. And what does it cost on the American side?

Mr. HOFSTRAND. On the American side, our commercial wheat today is selling for, I think, an average, protein prices, of around \$2.17 on the market.

Senator TALMADGE. And how about durum?

Mr. HOFSTRAND. Durum in our local elevators today, unless there has been a sudden fluctuation in the market in the last 2 or 3 days, is from \$2.25 to \$2.30.

Senator TALMADGE. Thank you.

Senator YOUNG. If there are no questions, thank you, Mr. Hofstrand.

I might say to the committee that Mr. Hofstrand is not only a farmer but he is a good one.

Mr. HOFSTRAND. Thank you.

Senator YOUNG. Our next witness will be Mr. Maurice L. Ryan, who represents the macaroni manufacturers. I think it would be appropriate to call him now because he could clear up some of the questions asked in the last few minutes.

STATEMENT OF MAURICE L. RYAN, CHAIRMAN, DURUM GROWERS RELATIONS COMMITTEE, NATIONAL MACARONI MANUFACTURERS ASSOCIATION, ST. PAUL, MINN.

Mr. RYAN. Thank you.

Well, one thing that has come up is this matter of substitution. I have here, which was received this morning—we are in convention now—a telegram from the president of the National Macaroni Manufacturers Association, and I am glad to have this, because I wanted this in writing, I did not want to come in and ad lib., and he says:

In order that you may have the correct information as to the need for durum wheat for the manufacture of macaroni products, the National Macaroni Manufacturers Association cites these pertinent reasons: A decline in per capita consumption of macaroni occurred during the durum shortage. Per capita consumption increased with the first normal durum crop in 5 years after the 1956 crop came in. Best estimates show a 39 million pound gain in macaroni production for 1956, the biggest on record since 1948 when there were heavy exports. Macaroni production and durum mill grind would have been immeasurably greater if long-term contracts for other wheats had not been on mill books. Pipelines of supply have been empty and faced with heavy exports and increasing domestic demand the risk of a small or no carryover could be disastrous for the macaroni industry, the durum millers and the durum growers. Another situation of enforced substitution of raw material will lose the consumer franchise to all elements of the industry and deprive the public of good quality macaroni products. We will supply you with testimony from macaroni manufacturers as to the importance of durum to their business of producing quality macaroni soon.

LLOYD E. SKINNER,

President, National Macaroni Manufacturers Association.

We have been in session for several days and, frankly, gentlemen, our big discussion has centered around durum.

Last June at Portsmouth, N. H., we met and passed a resolution recommending that every macaroni manufacturer go back to 100 percent durum, and they said, "We cannot, there is not enough durum, we don't dare do it now."

So we had to wait until 1956, for the 1956 crop to be harvested and shipped to the elevators, and then it came into the Grain Exchange and then was ground—

Senator JOHNSTON. If I may interrupt you—Go ahead.

Mr. RYAN. No. Ask your question, Senator.

Senator JOHNSTON. So if they had not had the other type of wheat, you might say in the pipeline, and made contracts to buy the other wheat, they would probably have used as much as last year?

Mr. RYAN. I am positive of that, but in our case we had some other type of book, and you cannot cancel the booking unless it is to the miller's advantage, so we had to take it, and I know some large macaroni manufacturers that had some straight farina book, and they did not want to use that so they bought 100 percent semolina, that is, durum semolina, and blended the 2 together, and they came up with a 50-50 mixture—but, positively, I don't care what kind of equipment you have, if you use 100 percent durum your end product will be better than if you use any other material.

I am not a technician and I am not a farmer, although for 11 years I have gone into North Dakota and visited with individual farmers, and I finally found out that I could identify durum wheat, and I even got to understand the varieties.

And I was out there last November and I talked to them collectively and privately, and asked them "What are you going to do?"

And they said, "If we have some sort of an incentive program we could."

And I said, "What program?"

They said, "Maybe 1 for 1."

I said, "Do you want 2 for 1?"

"No, we don't want 2 for 1; 1 for 1, and we will plant some durum but we won't put all our acreage in durum."

And I said, "If you don't have it, what are you going to do?"

And most of them said that they will not raise any durum, they will use Selkirk because it is absolutely rust resistant and it can yield much more under the same conditions, and they can go into it with a bang, just like that [snapping fingers].

I don't have very much to say, but if anybody wants to ask me about macaroni, I think I can answer.

Senator SCOTT. I have no further questions.

Senator YOUNG. Thank you.

I would like to have inserted in the record at this time, Mr. Chairman, a poll that was taken at the State durum show at Langdon, N. Dak., which is right in the heart of the durum wheat-producing area. These farmers are very jealous of this long history of production of high-quality wheat, and many of them would rather not see legislation if there is any other way out of it, but they feel that if we do not have an ample supply of durum wheat we will lose the trade and lose the market, so they are willing to go along with this legislation, and I think this indicates a very large percentage of these farmers would plant far less durum wheat this next year in the absence of any special durum-wheat legislation.

I think that is the important part, that although we have right now practically a normal production for this year, there is every indication and every sign points to a greatly reduced production next year if there is no legislation.

Senator SCOTT. Without objection, so ordered.

(The poll referred to is as follows:)

(This questionnaire was presented to group at round-table discussion at State durum show, Langdon, N. Dak., November 2, 1956; 77 answered questions with a summary of results as listed below.)

DO WE NEED DURUM WHEAT LEGISLATION IN 1957?

The production of durum wheat fell to a serious low during the recent rust epidemic. Legislation to give durum growers additional wheat acres in 1955 and 1956 has gotten production back to a near normal figure.

If these incentives are removed, will the production of this valuable crop drop again to shortage levels where substitution by processors will take place?

This questionnaire is prepared to secure information which will determine the advisability of seeking durum legislation for the 1957 growing season.

1. By tradition, what percentage of your allotted wheat acreage did you sow to durum prior to the 15B rust epidemic? Eighty percent average.

2. To what extent did you take advantage of durum wheat legislation in 1956? Nearly 100 percent participation.

3. If there is no durum legislation in 1957, what percentage of your wheat allotment would you sow to durum? Forty-five percent average.

4. In the event that legislation is proposed, which of the following would you prefer?

A. An act similar to last year, which would give the grower additional durum acres if he saw fit to reduce his hard wheat acreage. Forty-four of the seventy-seven checked this but 17 preferred 1 for 1 acre program incident to durum incentive.

B. A plan which would set durum aside from hard wheat and would give a farmer a durum quota in addition to his hard wheat quota. Twenty-seven of the seventy-seven checked this one.

C. No durum program. Six of the seventy-seven checked this one.

Comments.—Thus it appears from the above that a serious reduction in durum acres would occur in 1957 without a durum program. The majority prefer a 1 for 1 rather than a 2 for 1 such as we had in 1956. In other words a more conservative durum program. (State convention of Farm Bureau also went on record favoring a 1-for-1 durum increase program for 1957.)

R. C. CROCKETT.

VICTOR STURLAUGSON.

Senator YOUNG. I would like also to insert a statement by Congressman John Taber of New York, who represents an area where they have many macaroni manufacturers. He is very much in favor of the legislation.

Senator SCOTT. Without objection.

(The statement of Representative Taber above referred to is as follows:)

STATEMENT FILED BY HON. JOHN TABER, REPRESENTATIVE IN CONGRESS FROM THE 36TH CONGRESSIONAL DISTRICT OF NEW YORK

I am interested in the passage of S. 323. The objective of the bill is to make more acreage available for durum wheat.

For several years now the macaroni industry, which has a continually expanding demand for this particular type of wheat, has almost every year been up against a shortage of durum wheat to make into flour for macaroni. It has been absolutely necessary for them most of the time to mix other flour with it, and that does not produce as good a variety of macaroni as the durum.

For that reason, I would very much appreciate the bill being reported out by the Senate Agriculture Committee, and enacted by the Senate and House into law.

Senator YOUNG. As my next witness I present to the committee Mr. Cook, of the Farmers Union Grain Terminal Association.

STATEMENT OF JESS K. COOK, FARMERS UNION GRAIN TERMINAL ASSOCIATION, ST. PAUL, MINN.

Mr. Cook. Mr. Chairman and gentlemen of the Senate, I do not have a written brief of my statement for the simple reason that I was attending this macaroni convention in Miami, and I got a wire from my manager to come and attend this meeting and I got here yesterday, and I sat up practically all night trying to think of some argument, and I have put down a few. Many of these statements have already been made, but there are some I wish to emphasize.

Senator SCOTT. You go right ahead.

Mr. Cook. I am manager of the Farmers Union Grain Terminal Association at St. Paul. We represent a very large percentage of the durum growers in the Northwest, and we handle about 35 percent of the durum that comes into market. We have very large storage facilities and we also operate a durum mill outside of Minneapolis, so that we are very well posted on all conditions prevailing in durum.

I am here to testify in favor of Senate bill 323, permitting the seeding of durum wheat above the allotted wheat acreage in the Northwest.

I testify in favor of this bill because without some incentive our Nation again will have a very acute shortage of durum wheat to fulfill our normal requirements.

Our durum producers require additional acreage to protect their new rust-resistant varieties of durum that have been developed at great cost not only to the producers but also to the State of North Dakota, and without some incentive the seeded durum acreage this spring will be very disappointing. This is the opinion of the durum handlers and also the durum wheat producers.

This opinion can be disputed because of the large production of last year. The production in 1956 was 39,814,000 bushels harvested from 2,500,000 acres. This large acreage last year was the result of the 2-for-1 program in the durum bill of last year and because of the winter-wheat kill in Montana.

Now this part is very interesting to you, Mr. Young, and you people here, in 1956 North Dakota producers seeded only 425,000 allotted acres to durum and because of the 2-for-1 bill they picked up 859,000 additional acres because of the 2-for-1 bill, and in Montana, Montana seeded only 339,000 acres and picked up 678,000 acres from the diverted acres.

Montana had a considerable winter-wheat kill last winter and a large percentage of this acreage was seeded to durum wheat on the 2-for-1 basis. I do not have the absolute figures, but I understand that the winter kill in Montana was around 100,000 to 200,000 acres and the farmers took that winter-wheat-killed acreage and seeded it to wheat and picked up 2 additional acres, so that is 1 reason why we had a very large increase in durum acreage in Montana and if it had not been for the 2-for-1 durum bill, we are certain that the 1956 durum acreage would have fallen below 467,000 acres and a production of much less than 12 million or 14 million bushels.

Our normal requirements average about 30 million bushels of durum per year. If these statements are true, and I am sure they are, some incentive must be given to the historical durum producers if we are to produce sufficient durum in 1957 to fulfill our requirements.

If bill 323 is favorably acted upon and if the durum producers participate as they did in 1956, there still could be a durum shortage in 1957 and 1958. The average yield is 15 bushels an acre and they would produce a little over 21 million bushels on the 2-for-1 if the farmers participate as they did, so we could have a shortage next year of durum if they produce 21 million, where the normal requirements are around 30 million.

Senator YOUNG. Even with the proposed legislation?

Mr. Cook. That is correct, and I am also very certain that many of the farmers that participated in the 2-for-1 will not participate in the 1-for-1 because if they can get only 1 acre they will continue in Montana and North Dakota also to put in their regular spring wheat and in the durum triangle they will put in this Selkirk wheat, because when you put in durum you don't know whether you will get a crop or not, you do not know what kind of weather will prevail, because you could have beautiful weather right up until the harvest and a rain will come and destroy the quality.

The durum-wheat producers now have a good stock of rust-resistant durum developed and they secured it at great cost to the producers and they should be given the privilege of seeding these new varieties.

The 1-for-1 bill will decrease the bread-wheat acreage, thereby decreasing the production of wheat that is now in surplus—millions of bushels of this spring wheat is now going to the CCC under the law, that is part of our surplus right today because they have overproduced on the spring wheat, on bread wheat, and have not seeded durum wheat, so we have got a shortage of durum wheat.

Durum wheat for years has been the best cash crop in certain territories of our Northwest and a good market was developed for this cash crop. In the past 2 years our durum people have lost the market because of short crops caused by rust, and millers and manufacturers were compelled to use other wheats.

As an example, Quaker Oats, when durum wheat is in good supply, use it for their puffed wheat, which is a breakfast food, but when durum wheat is in short supply, Quaker Oats uses Ramona wheat which is a variety from California, but now since we have had this production of last year, they got back to durum wheat.

The same thing is true of General Foods and other breakfast food manufacturers. And now, because of the good supply of durum wheat, Quaker Oats, as I say, is again using durum what.

This is also true of the durum miller and the manufacturer, they are using more durum because of the more available supply.

Now there are quite a few people who questioned, Why did not the manufacturers, the national manufacturers, come in and use a larger percentage of our durum, since we have got about 39 million bushels? I believe they will use considerable more durum in the future than in the past 6 months; at which time they only used about 7 million bushels, and that was because the mills had their old contracts on their books that were made probably 2 or 3 months prior to our crop and these contracts called for a mixture of 25 percent durum and 75 percent hard wheat, and on some it called for 50 percent durum and 50 percent winter wheat.

Well, those contracts were on the books, so they had to grind those contracts which were ground in the first 6 months, from July 1 to December 1.

Now a lot of the contracts presently being written are for 100 percent durum and we know this to be very true because we operate this mill in northern Minnesota and our flour today is 95 percent or 100 percent durum wheat flour.

If this bill is not passed, we will probably have an acute shortage of durum. If it is passed, with the probable production plus the carryover, we will probably have sufficient durum to fulfill all of our requirements. But what I am getting at here is that through the years there has been a very good market developed for our durum producers, and in the past few years we have lost a part of that market and we are now trying to get a part of it back with this 1956 production and if we get this 1-for-1 bill, I think that we can get some more of that market back.

Why should not the durum producers get that market back, because that is their best cash crop? Your durum producers in the durum triangle for years raised durum for only one reason, because it showed more dollars yield per acre than other wheat, barley, and other grains.

Now I have heard a lot of adverse comments, that the Government had to subsidize and export to get rid of our surplus. Well, I do not believe that any surplus will be developed under the 1-for-1 acreage, but if there are a few million bushels raised above our normal supply, is that not a good stock to have on hand? We may have a nation, a friendly nation, overseas that needs a little durum and we should have that durum, if they request it,

Well, gentlemen, that just about cleans up what I have to say here. I think we should try to keep this durum market for our durum producers and we can only keep that market by growing durum and, if we don't permit them to grow sufficient durum, we are going to lose our market that we have acquired during the past 25 or 30 years.

Senator SCOTT. Any questions?

Senator TALMADGE. No questions.

Senator YOUNG. Thank you.

Mr. Chairman, since Mr. Cook mentioned General Mills, I would like to place in the record a telegram from Don A. Stevens, vice president of General Mills, supporting this legislation.

Senator SCOTT. Without objection.

(The telegram referred to is as follows:)

MINNEAPOLIS, MINN., Jan. 18, 1957.

Hon. MILTON R. YOUNG,

United States Senate, Senate Office Building, Washington, D. C.:

Regret unable to be in Washington January 25 as had hoped to testify on behalf of durum wheat millers recommending passage of S. 323. Careful investigations by durum millers convince us that without the incentive provided by S. 323 our national acreage of durum wheat will fall below that required to safely provide national food requirements of that wheat. Recent years experiences of wheat producers in durum area incline them to bread wheat rather than durum. We believe that with incentive as in S. 323 durum acreage will be maintained for 1957 crop and that with the new rust-resistant seed now available future yield comparisons with other wheats will return ample acreage to durum production but that until then the provisions of S. 323 are necessary and wise. The provisions of S. 323 will not increase the overall production of grain in the areas to which it applies since the extra acres going to durum would otherwise be seeded to oats or barley with greater yields. It is my hope that this statement may be entered in the record in lieu of oral testimony.

In behalf of durum wheat milling industry.

DON A. STEVENS,
Vice President, General Mills, Inc.

Senator YOUNG. Our next witness is Mr. McCabe, president of the McCabe Co., of Minneapolis, Minn.

**STATEMENT OF BEN C. McCABE, PRESIDENT, McCABE CO.,
MINNEAPOLIS, MINN.**

Mr. McCABE. I would like to say first, gentlemen, that I come down here once in a while to appear before a congressional committee such as this and I am always impressed with the tremendous lead you Senators and Congressmen are carrying and I have to take my hat off to you. I would not want the job, myself. I know that every one of us will join with me in expressing our appreciation for the fine public service that you do.

Senator SCOTT. You might spread that word as far as you can.

Mr. McCABE. Especially, just after an election—the beatings you guys take, I wouldn't want it.

I understand the date of this hearing was changed and that there was a hurry-up call, and I did not know yesterday morning, when I made my plans for coming here, that Mr. Cook was going to be here. I thought perhaps I would be the lone representative from Minneapolis, so in my statement I may have covered a little too much ground.

I am Ben C. McCabe, of Minneapolis, Minn., president of the McCabe Co., operators of country elevators and feed mills in the four Northwestern States. However, in my testimony before this committee, I represent not only the views of myself and our company, but also those of the majority of other country elevator operators in the area—both privately owned and cooperative—and the semolina millers of our area.

We feel that after 3 or 4 subnormal durum crops in our area, continued favoritism will have to be shown to the durum acreage if production is going to be definitely reestablished sufficient to cover our domestic needs plus a small coverage for protection in case of a short crop which in the meantime would go for export.

It is our definite belief that the above goal can be better reached through acreage favoritism rather than a higher support price.

With our farmers drastically limited by the acreage allotments on wheat, the additional acres they were allowed to seed to durum last year made quite a hit—in fact, I don't believe we would have had an increased durum acreage in North Dakota and Montana if it had not been for the 2-for-1 deal on acreage going into durum.

I wish to point out particularly that race 15-B of rust attacked all existing varieties of durum in a catastrophic way, virtually destroying the crop for several years. During those years an intensified effort was put down to develop and propagate varieties of durum that were resistant to 15-B. Our agronomists were successful and due to highly cooperative efforts on the part of everyone interested, the supply of these resistant varieties was increased with extreme rapidity by planting crops during the wintertime down in Mexico and doubling up on production.

The spring of 1957 will be the first year that these resistant varieties are available to farmers generally. I think it would be tragic if a real effort is not made by Congress and the Department of Agri-

culture to see that these resistant durums are well established—particularly in what we have called the durum triangle. Durum will have to be favored if it is going to be reestablished in this area.

We are particularly fortunate with bread wheats that Canada had developed Selkirk wheat at just about the time race 15-B hit us. Large importations of Selkirk seed were made from Canada and it gave a very good account of itself last year in the eastern areas and especially in the whole durum triangle in 1956.

In 1956 the average yields of bread wheats in North Dakota were 17.5 bushels per acre. The average yield on durum was 16 bushels per acre and rust was not much of a factor last year.

Now it was rather an unusual year when bread wheats outyielded durum in the durum area, but with the showing that Selkirk wheat made last year, the farmers in that area will not be weaned from it without some coaxing. So for this reason, particularly, we plead that durum be given at least 1 more year of acreage favoritism so as to have a chance to become reestablished in its own area.

We can understand that the Department of Agriculture and this committee are disappointed with the probable disappearance of durum in this crop year. However, we would like to point out the following mitigating circumstances.

Manufacturers of macaroni and spaghetti products made rather large forward bookings of semolina last summer before the durum crop was assured and, generally, these bookings were on the basis of a blend of 50 percent durum semolina and 50 percent bread wheat semolina. So that during most of the first quarter, and even part of the second quarter, of this crop year, it was these blends that went into consumption.

It is our understanding that as of the present, virtually all semolina processors are switching to a 100 percent durum product; but because of the blends used in the early part of the crop-year, it is probable that only about 18 million bushels of durum will be used. Next year we should be able to look forward to a use of around 24 or 25 million bushels when the processors will be using a full 100 percent durum semolina for the full 12 months.

Now, we will undoubtedly have a carryover of several million bushels of durum this year, but bear in mind that the per bushel yield on durum this year was several bushels over normal, especially out in Montana. We cannot expect that to repeat itself year after year. If we had had average durum yields in 1956, we would have produced 29 million bushels of durum—not 39 million bushels which was produced. In making their decision, the Department of Agriculture and this committee will have to have this point definitely in mind.

The big increase in durum acreage in 1956 was out in Montana. The fall of 1955 was very dry, winter wheat got off to an extremely poor start and much of it winterkilled or never did come up. However, spring rains came along soon enough so that farmers were encouraged to put in a crop and with the advantage given to durum, there was a very heavy shift to the planting of this crop and it turned out very, very well.

This State seeded 978,000 acres and harvested a crop of over 18 million bushels. The farmers out there are well pleased with the return they are getting on durum from this crop and you might expect that they will continue to grow durum next year with no special acreage inducement. However, that is not true.

While in North Dakota spring wheat yielded more than durum wheat, the Montana farmer compares the durum yield not with spring wheat but with winter wheat, and winter wheat under the same conditions will outyield durum by 5 to 20 bushels per seeded acre.

I just brought along the figures on that.

In Montana in 1955 the average winter wheat yield was 27 bushels per seeded acre while the yield on durum in Montana was 21 bushels per seeded acre.

However, that was also a good year. The average yield in Montana on winter wheat is 20 bushels per seeded acre and on durum 13.5.

Senator YOUNG. That is quite a contrast.

Mr. McCABE. Yes; so you can see for yourself that with that difference in yields, it is going to take something more than just a little difference in support prices to maintain the acreage.

Montana was fortunate last fall. There was enough moisture to get the new winter wheat crop off to a good start and our last reports are that the crop is still in very good condition. As a consequence, we will not have the abandoned winter wheat acreage to go into durum this year.

I can point specifically to one of our fine farmer customers at Rosebud, Mont., Mr. Clifford Wright, who ordinarily crops a thousand acres per year. His entire winter wheat crop last winter was destroyed. He reseeded to durum wheat. He had a poor crop—about 10 bushels per acre, but nevertheless, he did harvest 10,000 bushels of durum wheat and he was satisfied under the circumstances.

However, this fall he planted his thousand acres into winter wheat. It came up to a fine stand, stood well and at this time, Mr. Wright states his crop is 100 percent. He will not be seeding any durum this spring. The same story can be repeated time after time over the Montana area.

As a consequence, if we are going to avoid a sharp decrease in the durum acreage in Montana, the acreage will have to be taken out of barley and spring wheat to a greater extent than what it was last year. Last year the farmer was allowed to seed 3 acres of durum for every acre of bread wheat which he took out of his allotment. Now the proposal is to cut the durum acres down to two for every bread wheat acre that is taken out of the farmer's allotment.

It is doubtful that the farmers, who didn't go in any heavier than they did last year on the higher acreage, will go in as well this year on the proposed lower basis.

Without a very considerable incentive, we feel sure there will be a very drastic reduction in the durum acreage in Montana and if they get back to normal yields, the crop could amount to only about a third of last year's crop. In that case the country would be faced again with a durum shortage. I don't think this committee or the Department of Agriculture wants to take the risk on that.

I wish to point out also that we will have some compliance with the soil bank in the durum area. Just how severe the acreage cutback will be on durum from the soil-bank plan, I cannot say. However, there is no doubt but what the soil bank will cause some reduction in the durum acreage.

So, for the above reasons, I strongly recommend that Senator Young's bill be endorsed by this committee and passed by this Congress.

Senator SCOTT. Any questions?

Senator TALMADGE. No questions.

Senator YOUNG. Thank you.

May I now make some insertions, Mr. Chairman?

Senator SCOTT. Yes.

Senator YOUNG. I would like to insert in the record a telegram from F. Peavey Heffelfinger, president of the F. H. Peavey & Co. of Minneapolis, Minn.

They also operate a string of grain elevators and other facilities.

Senator SCOTT. Without objection.

(The telegram referred to is as follows:)

MINNEAPOLIS, MINN., *January 23, 1957.*

Senator MILTON YOUNG,

United States Senate:

Following wire sent to Marvin McLain, Assistant Secretary of Agriculture, Washington: "Strongly urge Department support of S. 323 which I understand provides acreage incentive for durum growers. All information we can get convinces as such legislation is necessary to provide sufficient durum production to satisfy domestic consumption this year. Last year's larger production resulted from very unusual circumstances plus much stronger incentives than this bill provides. Seriously question response of North Dakota and Montana growers unless this legislation is provided as an absolute minimum."

F. PEAVEY HEFFELFINGER,
President, F. H. Peavey & Co.

Senator YOUNG. I would like to insert in the record a letter from Weston B. Grimes for Cargill, Inc., in support of the legislation.

Senator SCOTT. Without objection.

(The letter referred to is as follows:)

WASHINGTON, D. C., *January 24, 1957.*

HON. MILTON R. YOUNG,

Senate Office Building,

Washington, D. C.

MY DEAR SENATOR YOUNG: This letter is presented on behalf of my client, Cargill, Inc., in support of S. 323. An extra copy is attached with the thought that you may see fit to have the original incorporated into the record of the hearing on this bill scheduled to take place 25 January.

Cargill, Inc., as you know, has its executive offices in Minneapolis and has been engaged in the business of handling grain, including durum wheat, of the producers of the Northwest for almost a century. The Cargill management firmly believes that an incentive, such as is provided in S. 323, is necessary to insure production of minimum domestic and export requirements for durum wheat.

The black-rust epidemic of about 5 years ago virtually extinguished the high quality durum varieties grown in North Dakota and adjoining States. A substantial amount of time, effort, and technical skill has been expended toward reestablishing quality strains of this important crop. This restoration program was coupled in 1956 with certain incentives to producers, which are no longer being made available by the Department of Agriculture. The purpose of S. 323 is to continue some of these incentives.

In 1955 the durum States, which for statistical purposes are North Dakota, Montana, South Dakota, and Minnesota, produced 19,580,000 bushels, which production was substantially below demand requirements. In order to bring production in line with demand the Department of Agriculture, as aforesaid, made provision for certain incentives, including higher loan rates and exemptions from acreage controls, with the result that in 1956 the production in the durum States rose to 39,607,000 bushels, which quantity was sufficient to meet domestic and export demand requirements, and in addition, will result in a carryover of approximately 8 million bushels. The Department of Agriculture apparently feels that continuation of any incentives may result in substantial durum surpluses and is, therefore, not inclined to provide incentives in the absence of statutory direction to do so.

My people feel that the prospective carryover from durum production in 1956 is the result of an unusually high and nonrecurring production pattern in the State of Montana, brought about by extreme damage to the winter wheat crop and the reseeding of winter wheat acreage to durum in the spring of 1956. In support of this view, I should point out that in 1955, 271,000 acres were planted to durum in Montana, resulting in a production of 5,691,000 bushels, whereas in 1956 978,000 acres were planted to durum in Montana, resulting in a production of 18,093,000 bushels. Had it not been for this substantial increase in Montana production, caused by nonrecurring conditions, the total production for 1956 would have been considerably less than the total demand, and there would have been no prospect of any carryover whatsoever.

We realize that during the years following the virtual extinction of high quality durum varieties, many of the users of this type of wheat turned to substitutes and in some instances there has been an inclination to continue with substitutes rather than to return to the use of durum. However, it seems very clear that there is a domestic and export market for at least 35 to 40 million bushels of quality durum wheat per year, and production incentives must be provided to insure this minimum necessary supply requirement.

If there is any further information or support I can furnish to you with respect to this matter, please call me.

Yours very truly,

WESTON B. GRIMES.

Senator YOUNG. I would like to insert in the record a telegram signed by a group of farmers in North Dakota, supporting this legislation.

Senator SCOTT. Without objection.

(The telegram referred to is as follows:)

STARKWEATHER, N. DAK., *January 24, 1957.*

HON. MILTON R. YOUNG,

United States Senate, Washington, D. C.:

Encourage you to use your influence in the passage of a durum acreage and price incentive program for 1957. Without it we will not get adequate acreage 1957.

Walter Hansen, Rudy Wilhelmi, Bernard Deboer, Art Myklebust, Warren Sage, Arthur Erickstad, Fred Overbo, Harold Berg, Harold Hanson, Arnie Braathen, Robert G. Henschel, Chester L. Swartz, Alexafer Anderson, Lester Schraeder, Ole S. Erickstad, Glenn Nygaard, Mrs. M. W. Revis, Anton J. Votendahl, Mervin D. Olson, Gorden Braathen, Adele C. Resler, Mrs. W. A. Donahue, D. W. Besse, Alfred Besse, Carl M. Olesen.

Senator YOUNG. And I would like now to have inserted in the record a telegram from the Chamber of Commerce, Devils Lake, N. Dak., supporting this legislation.

Senator SCOTT. Without objection.

(The telegram referred to is as follows:)

DEVILS LAKE, N. DAK., *January 24, 1957.*

Senator MILTON YOUNG,

United States Senate Office, Washington, D. C.:

We urge the passage of the durum program providing for both acreage and price incentives. This is a necessity to obtain adequate 1957 durum wheat production on our total minimum wheat acreage for North Dakota. Prompt passing will mean better soil bank participation.

AGRICULTURE COMMITTEE, DEVILS LAKE CHAMBER OF COMMERCE.
DONALD A. HESS, *Manager.*

Senator YOUNG. I would like to have inserted in the record a telegram from Frank Peck and Walter Magold, of Inverness, Mont., supporting this legislation.

Senator SCOTT. Without objection.

(The telegram referred to is as follows:)

INVERNESS, MONT., January 24, 1957.

Senator MILTON YOUNG,

Senate Office Building, Washington, D. C.:

I am in favor of your support of the 2-1 durum bill.

FRANK PECK AND WALTER MAGOLD.

Senator YOUNG. I would like to have inserted in the record a statement of E. N. Duncan, director, industrial and agricultural development department, Great Northern Railway Co., St. Paul, Minn., supporting this legislation.

Senator SCOTT. Without objection.

(The statement referred to is as follows:)

STATEMENT FILED BY E. N. DUNCAN, DIRECTOR, INDUSTRIAL AND AGRICULTURAL DEVELOPMENT DEPARTMENT, GREAT NORTHERN RAILWAY CO., ST. PAUL, MINN.

My name is E. N. Duncan. I am director of the industrial and agricultural development department, Great Northern Railway, St. Paul, Minn.

We are vitally interested in the production of durum wheat in the territory we serve and favor legislation that will encourage adequate durum production to meet domestic consumption of semolina flour.

In 1956 North Dakota harvested 1,225,000 acres of durum as compared to the 1945-54 average of 2,203,000 acres. It should be noted that this is only about 58 percent of the average durum acreage.

In 1956 in Montana the harvested acreage was 976,000 acres as compared to the 1945-54 average of 14,000 acres. Even with this increased acreage in Montana, it should be indicated that the 1956 acreage was inadequate in re-establishing a secure acreage base for durum wheat.

Even in 1957 with the further encouragement of the 2-for-1 formula, North Dakota planted only a little over one-half as much as considered normal for the 1945-54 period.

Our contacts in Montana indicate that, even though the same legislation was passed for 1957, production for that State would shrink as much as 50 percent; also if the same legislation were in effect North Dakota growers would probably reduce their acreage to the same extent for the 1957 season.

Durum wheat normally yields about $1\frac{1}{2}$ bushels less per acre than Selkirk or other spring-wheat varieties in North Dakota, and there seems to be some apprehension in North Dakota that rust-resistant durum varieties are not proven, while rust-resistant varieties of hard spring wheat are relatively well established.

Yields of durum in North Dakota were approximately 4 bushels more last year than considered normal for the 1945-54 period. In Montana, the yield was approximately 5 bushels per acre more than the 1945-54 period. Had these average figures prevailed, we would have been 10 million bushels under our 1956 production which was 39 million bushels.

Moisture conditions generally in North Dakota and Montana are not satisfactory at this time. This lends further credence to the fact that farmers will probably tend to switch away from durum wheat if moisture conditions do not improve and dry weather prevails as the planting season is approached. The fall drought in 1956 with poor snow cover across the northern part of the United States points toward a moisture deficiency in the States joining the Canadian line.

Adequate durum-wheat production lends itself to a balanced farm economy in both North Dakota and Montana. While most cereal grains are in overproduction, the estimate for durum with an average yield in these States would indicate production definitely under consumption on a national basis. It seems that we would be missing an opportunity if we did not provide an incentive to insure production of durum to supply semolina flour for at least our national consumption.

If we take the durum disappearance figure of approximately 36 million bushels yearly—out of this $24\frac{1}{2}$ million bushels are consumed for food, 8 million bushels for export, and $3\frac{1}{2}$ million bushels for seed—we should be gearing our program of production to at least meet this figure.

As an agriculturist working for a transcontinental railroad, I feel that every consideration should be given to the support of crops that can be utilized and which do not compete with other production, and at the same time contribute

to the economy of a State where choice of crops is limited by the established growing season.

It would be our earnest recommendation that the language in Senate bill 323 be enacted into public law.

Senator YOUNG. May I have inserted in the record a resolution by the Barnes County Farmers Union of North Dakota, supporting this legislation.

Senator SCOTT. Without objection.

(The resolution of Barnes County Farmers Union referred to is as follows:)

RESOLUTION No. 3

Be it resolved, That we realize that sufficient durum for the needs of our Nation will not be produced if farmers are forced to include their durum plantings in their other wheat allotments. We hereby respectfully request our legislators in Washington to introduce legislation for a durum program for 1957.

We request that copies of this resolution be sent to our legislators in Washington.

BARNES COUNTY FARMERS UNION.

Senator YOUNG. And may I insert in the record a letter from the Ward County Crop Improvement Association, of Minot, N. Dak., supporting this legislation.

Senator SCOTT. Without objection.

(The letter referred to is as follows:)

WARD COUNTY CROP IMPROVEMENT ASSOCIATION,
Minot, N. Dak., January 7, 1957.

Hon. MILTON R. YOUNG,
Senate Office Building,
Washington, D. C.

DEAR MR. YOUNG: A poll of the directors of the Ward County Crop Improvement Association gave unanimous approval for Federal legislation that would provide some additional incentive to seed amber durum wheat. It is the opinion of this group that if no incentives are provided, the acreage seeded to durum will be very materially reduced in 1957. Therefore, to insure that an adequate supply of amber durum be raised for the American market, the potential growers of this wheat require some form of legislation that will encourage them to seed durum in place of hard wheat. Therefore, this group approves the so-called 1-for-1 plan. That is, 1 additional acre of durum can be seeded for each acre of hard wheat that is removed from production.

Very truly yours,

JOE PARIZEK, *President*:

Senator YOUNG. All of these communications are in support of the legislation.

I would like to have inserted in the record a telegram from the Farmers Mill & Elevator Association of Devils Lake, N. Dak., supporting the legislation.

Senator SCOTT. Without objection.

(The telegram from the Farmers Mill & Elevator Association referred to is as follows:)

DEVILS LAKE, N. DAK., January 23, 1957.

Senator MILTON R. YOUNG,
Senate Building, Washington, D. C.:

We approve heartily the passage of a durum-wheat program for 1957. Without an acreage and price incentive, in spite of present rush-resistance durum varieties, our farmers will not plant durum in preference to Selkirk hard spring wheat on their minimum wheat acres. We urge the passage of your cosponsored durum program bill.

FARMERS MILL & ELEVATOR ASSOCIATION.

Senator YOUNG. And a telegram from the Lakota (N. Dak.) Commercial Club supporting the legislation.

(The telegram referred to is as follows:)

LAKOTA, N. DAK., *January 22, 1957.*

Senator YOUNG,

Washington, D. C.:

The Lakota Commercial Club unanimously approved the proposed durum program, and urges you to seek its adoption.

LAKOTA COMMERCIAL CLUB.

Senator YOUNG. A letter from the Benson County Extension Committee supporting this legislation.

Senator SCOTT. Without objection.

(The letter referred to is as follows:)

LEEDS, N. DAK., *November 27, 1956.*

Senator MILTON R. YOUNG,

United States Senate, Washington, D. C.

DEAR SENATOR YOUNG: The Benson County Extension Committee on Progressive Planning in Crops and Soils, in session this 27th day of November 1956. unanimously passed a resolution requesting you to support a durum bill for 1957 that will benefit the quality durum producers.

Very truly yours,

GEORGE I. LEE, *Secretary.*

Senator YOUNG. And I would like to have inserted in the record a letter from the North Dakota Mill & Elevator Co., of North Dakota, supporting this legislation.

(The letter referred to is as follows:)

NORTH DAKOTA MILL & ELEVATOR,
Grand Forks, N. Dak., December 6, 1956.

HON. MILTON R. YOUNG,

Senator from North Dakota,

LaMoure, N. Dak.

DEAR SENATOR YOUNG: Last night the Grand Forks Herald carried a news item covering the legislation which you propose on durum when Congress convenes in January.

I merely want to confirm our thinking and observations relative to the durum picture. I believe that you are definitely correct in your position, and we know in talking to the many macaroni companies that unless this durum is kept on a comparable price basis with that of spring or other wheats, durum wheat will not be used. They found out in the past few years when we had such a shortage, the public accepted the various blends and while it does not make as good a product it was a greater profit to the macaroni industry.

The plan which you suggest of 1-for-1 basis rather than the 2-for-1 basis in 1956 is, in my opinion, good as it will channel more of the durum production for our State. This, of course, we are most interested in and would like to see that North Dakota grows the durum wheat and that it will not be extended to other areas. We believe that you have this picture very clear, Senator, and unless something unforeseen comes up, I think the legislation should be right along the line you advocated or stated in the paper.

If you should be in Grand Forks before you go back to Washington, we would be most happy to have you call on us.

Kindest regards.

Very truly yours,

P. R. FOSSEN, *General Manager.*

Senator YOUNG. And a letter from the Manvel Farmers Union Elevator Co., supporting this legislation

Senator SCOTT. Without objection.

(The letter referred to is as follows:)

MANVEL, N. DAK., December 6, 1956.

Hon. United States Senator MILTON YOUNG,
Washington, D. C.

DEAR SENATOR: In our area as well as in the durum area, we appreciate your stand relative to the 2-for-1 durum acreage for the coming year 1957 and do appreciate all you are doing for this.

On behalf of our 545 stockholders, we back you 100 percent.

Yours very truly,

ROBERT A. BUSCH,

Manager, Manvel Farmers Union Elevator Co.

Senator YOUNG. And a letter from the Benson County Crops & Livestock Improvement Association, supporting this legislation.

Senator SCOTT. Without objection.

(The letter referred to is as follows:)

MINNEWAUKAN, N. DAK., December 6, 1956.

Hon. MILTON R. YOUNG,
United States Senate Building,
Washington, D. C.

DEAR MR. YOUNG: At the annual meeting of the Benson County Crops & Livestock Improvement Association held Monday, December 3 in Oberon, a resolution was passed favoring support of a durum-incentive program for 1957.

I was instructed to ask your support of this program in behalf of the membership of this association. Their first choice was the so-called 1-for-1 durum proposal, whereby the farmer would be allowed to seed 1 acre of durum outside his allotment for each acre of durum seeded within the allotment.

We would appreciate your support of this type of program or other legislation that would offer some incentive to the durum farmer during the coming year.

Sincerely,

VERNON A. STURLAUGSON,

Secretary, Benson County Crops and Livestock Improvement Association.

P. S.—I noticed in a news release since this meeting that you will definitely sponsor such legislation. Thought I should send this anyway to show support from this area. These were also sent to Mr. Langer, Burdick and Kruger.

V. A. S.

Senator YOUNG. I believe these are all the communications that I have at hand. I will call next, Mr. Hendrickson, executive secretary, National Federation of Grain Cooperatives.

STATEMENT OF ROY F. HENDRICKSON, EXECUTIVE SECRETARY, NATIONAL FEDERATION OF GRAIN COOPERATIVES

Mr. HENDRICKSON. Mr. Chairman, I will try to be brief.

My name is Roy F. Hendrickson and I am the executive secretary of our National Federation of Grain Cooperatives here in Washington.

Among our members is the Farmers Union Grain Terminal Association in St. Paul with which Mr. Cook is associated.

I have about 2 or 3 points to make and I will try to make no duplication of what has been said.

In the first place, with the 2-for-1 relationship that you had last year, we still did not get any tremendous acreage expansion. For instance, the national acreage harvested was 2,379,000 and that is compared with 2,489,000 which was the average acreage for the period 1945 to 1954, so there was still great reluctance to expand this crop.

In analyzing your bill, Senator Young, I sometimes felt perhaps you were going a little bit too fast in going over to the 1-for-1 relationship. Perhaps it should not be 2-for-1, but perhaps 1½-to-1 or some-

thing of that sort would be appropriate. I will tell you why, and I do not think this has been touched upon here today.

I tried to learn something about the nature of 15-B rust. It was isolated not many years ago and it has as an alternate host barberry bushes and even grasses. The nature of these rusts is that they are able to hybridize and even the rust-resistant varieties that have been developed by tremendous effort in recent years are by no means perfect against a new hybrid rust that can come any time.

The reason for the good crop is that we had a good growing year. More especially, there did not develop the high pressure area in Mexico and Texas which pushes north masses of warm humid air which carries the rust spores which, if they come in time, devastate the crop very quickly.

And I know, and I have been at Beltsville and I have gone to some other Department of Agriculture installations and, while they have developed some of these new varieties that are resistant to 15-B rust at the moment, still they are on the alert, expecting new hybrids.

We have had rust-resistant varieties before, which have failed because of hybridization changes. You have the probability that next year you may have the condition where you might have this moist air coming from the alternate host in Texas or Mexico, carrying these spores north on high winds and they can change the situation very, very fast.

Therefore, I would not view the prospect of adequate acreage with any confidence. I would not even want to say, "We will only need this extra acreage 1 year." We will have to look at the situation again in another year.

One more point I would like to develop.

Our people in the marketing cooperatives have wheat growers in practically all of the areas.

Senator Talmadge, we even have a member in your area. The Cotton Producers Cooperative in Atlanta has had to develop a grain marketing division because of the changes there. I would say that the producers who are members of these cooperatives, and I found this expression repeatedly, look with a sense of fairness to the natural durum-producing areas and are willing to go along with this type of legislation and they are not going to be jealous or withhold support at all.

I think that is important because there are some people who believe that it is unimportant to maintain large production of durum because other wheats can come in and find an outlet as a substitute.

Well, we know in the long run that is not good for the durum producers, first; and, secondly, it is not good for the industry, which does better and has a more rapid rate of consumption increase in relation to population increases if they can give the people the very best products. They do not get the very best and most desirable products where they have to blend in a lot of other wheats.

There are a lot of technical reasons, the simplest one being this: that the nature of spaghetti and macaroni, and I think Mr. Ryan referred to this, is that you can make it out of some of these other wheats, to be sure, but you have this rapid breakdown in the cooking processes and it becomes mushy and it takes good durum, the best quality durum, to meet that as one of the standards that the users take into account.

I believe that is all I have to say, and I thank you very much for this opportunity. If there are any questions, I would be glad to answer them.

Senator SCOTT. Any questions?

Senator TALMADGE. No questions.

Senator YOUNG. Thank you.

I think you are right; even with this legislation I do not believe we are going to get up to our normal requirements.

Mr. HENDRICKSON. I am sure of it.

Senator YOUNG. Production is going to be down considerably. The reasons we took this 1-for-1 plan, instead of 2-for-1, is that in the durum wheat area we have hopes that we will not need this legislation very long. We would rather be the principal durum wheat producers in the future as we have been in the past. We do not want to encourage this production more than is necessary to meet market needs.

Senator SCOTT. Is there any other evidence?

Senator YOUNG. I think that the National Farmers Union organization has a witness. The general farm organizations were invited to appear. We have Mr. Baker, of the National Farmers Union.

STATEMENT OF J. A. BAKER, COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. BAKER. Mr. Chairman and gentlemen of the committee, for the record, I am J. A. Baker, coordinator of legislative services, National Farmers Union.

In response to his previous inquiry, President James G. Patton, of National Farmers Union, received on last Monday the following telegram from President Leonard Kenfield of the Montana Farmers Union:

Urge strong support Young, Murray, Langer, and Mansfield bill allowing producers to plant 1 acre of durum outside wheat allotment for each acre planted within allotment.

The board of governors of the North Dakota Farmers Union in formal meeting considered the provisions of the pending durum bill and voted to ask that a representative appear before your committee on their behalf in support of the bill.

A very large part of the total durum wheat production of the Nation is raised by Farmers Union members in these two States. These producers and their elected officials have given careful study to the proposed 1957 program as provided in the bill before your committee. It is their considered opinion that the bill should pass and become law.

For that reason, although National Farmers Union has not had opportunity to develop a position on this specific proposal, I urge that you give these recommendations your sympathetic consideration and report out the bill favorably.

As members of the committee know, Farmers Union continues to support its longtime position favoring the establishment of a comprehensive food and fiber national policy of managed realistic abundance with workable means extended for farmers' use after the referendums provided to keep market supplies of farm commodities in reasonable balance with market demand, adequately augmented by action programs designed to expand domestic and foreign consumption.

Without taking more of the committee's time, I request that our legislative analysis memorandum briefly outlining our position on this important aspect of the farm income improvement program be inserted in your record at this point in my statement.

Senator SCOTT. Without objection, so ordered.

(The memorandum referred to is as follows:)

LEGISLATIVE ANALYSIS MEMORANDUM No. 56-19

(Revision No. 1)

SEPTEMBER 14, 1956.

FARM PRODUCTION AND MARKETING ADJUSTMENTS

The 84th Congress now adjourned made several very significant improvements in legislation authorizing farmers to adjust their production and sales to bring market supplies into a better balance with augmented market demand:

(1) A large beginning toward a workable voluntary conservation acreage reserve was made in adoption of the acreage reserve and conservation reserve in the Agricultural Act of 1956;

(2) The national minimum acreage allotment or base acreage for corn was raised from 43 million acres to 51 million acres for 1956;

(3) Marketing fee or penalty on overquota sales of peanuts was raised to 75 percent of support level;

(4) Provision has been made for preservation of unused allotments;

(5) National minimum acreage allotment for cotton was established at 17.5 million acres for 1957 and 1958; and

(6) A minimum allotment for cotton for each family was set at not less than 4 acres.

National Farmers Union continues to urge further improvement and expansion of various production and marketing adjustment programs as essential parts of a comprehensive farm income improvement program.

Such programs fulfill these major functions:

(a) Prevent wasteful use of farm labor, capital, and natural resources;

(b) Assist farmers to keep market supplies of farm commodities in reasonable balance with market demand and thereby—

(1) Reduce the Government cost of the income protection and price-support program; and

(2) In some cases directly raise prices received by farmers above support levels or above free market levels in the absence of support programs.

National Farmers Union considers such supply adjustment programs to be a third line of defense after everything possible has been done to expand domestic and foreign human use and demand for farm commodities through maintaining and expanding a full employment economy and carrying out policies to expand international trade and operating special demand and export expanding action programs.

SUMMARY

The production and marketing adjustment programs recommended for adoption by National Farmers Union as amendments to existing law are:

1. A workable voluntary conservation acreage reserve through improvement of the Soil Bank Act;

2. Marketing premium payments for sale of livestock at desirable weights and types (not now authorized by existing law);

3. Extension in workable ways to producers of all farm commodities of the privilege of using improved marketing quotas, restricted by existing law to the producers of only seven commodities; and

4. Extension in workable ways to producers of all farm commodities of the protection and right to utilize private collective bargaining techniques under marketing agreements and orders.

ECONOMICS OF SUPPLY ADJUSTMENT

The desirable results of these adjustment programs are derived from two facts:

First, no one seriously believes that farms should waste their time and use up their resources to produce commodities that will not be used but whose

presence on the market will reduce farm prices and incomes to the bankruptcy level.

Second, the inelasticity of the demand for farm commodities as a whole and for many individual farm commodities is so severe that increased quantities can be sold only at greatly lowered prices. Or conversely for all commodities as a group a 1 percent cut in supply will have a 6 percent raising effect on farm prices and a 10 percent raising effect on farm net income.

For example, a 1 percent cut in total farm production at present levels would reduce the Government cost of an adequate income protection and price-support program by almost \$2 billion, or in the absence of such a program would raise gross and net farm income by almost \$2 billion.

As a result such adjustment measures reduce the Government cost of the income protection-price support program if one is in operation. If the cut in production marketing is large enough, market prices will be raised above the support level. In the absence of an income protection or price-support program, production and marketing reductions raise farm family income directly by reducing supply and raising prices received by farmers by a much larger percentage than the volume of sales are cut.

The acreage reserve in the Agricultural Act of 1956 will raise prices of basics 5 percent above support level if strongly administered. Marketing quotas operate in connection with support programs. Marketing agreements usually operate in conjunction with surplus removal operations. But only in the case of milk do marketing orders operate along with a price-support program. In this case each strengthens and improves the income-raising features of the other. Marketing orders protect producers in bargaining collectively with buyers of the produce.

Marketing premium payments would help raise farm income from livestock whether operated alone or along with a specific income protection or price-support program.

Acreage allotments are operated in conjunction with price-support programs.

NEED FOR ADJUSTMENT PROGRAMS

The need for farm production and marketing adjustment programs to raise farm income directly or to make specific farm income improving programs more workable is derived basically from the chronically adverse trade situation of farmers.

In the absence of specific income protection measures, farm family income tends to fall from year to year except in years when the national economy expands by as much as 10 percent.

However, such a rapid rate of expansion would set up conditions that lead to inflation of industrial prices and increased farm costs of production. In view of this National Farmers Union favors a more modest national economic growth rate of about 6 percent per year. However, such a rate of national economic expansion is not great enough to raise farm family income toward a parity position.

To expand human use and demand for farm commodities, National Farmers Union continues to urge new, improved, and expanded programs of increased domestic and foreign consumer purchasing power and the use of farm commodities as capital assets to further intelligent foreign economic and humanitarian domestic public assistance programs.

In any particular year, however, the expansion of the national economy and of farm exports and the scope of the special demand-expanding programs may not, and in the foreseeable future probably will not, be sufficient to provide the effective demand required to keep prices received by farmers at a level that will enable farm people to earn parity incomes or a tolerable percentage thereof. Moreover, while the level of general demand for all farm commodities may be satisfactory, one or more individual commodities may at any time run into specific difficulty.

To protect farm income and to improve it in such circumstances requires the use of specific farm income protection and price-support measures through workable combinations of parity supplement payments and price-supporting loans and purchases.

However, such programs quickly become subject to political attack if they must be used in large magnitude continuously.

If annual production increases too fast and exceeds the rate of expansion of augmented annual demand for domestic consumption and exports, stocks

pile up in Government ownership and Government costs for parity supplement payments would mount rapidly. Either or both occurrences soon lead to a political clamor to "lower the high rigid" support level.

To forestall those developments, National Farmers Union favors the use of federally sanctioned and administered production and marketing adjustment programs to enable farmers to keep market supplies in reasonable balance with augmented demand.

OPERATING RELATIONSHIP

National Farmers Union favors improvement of the Soil Bank Act to provide for the use of a voluntary conservation acreage reserve as a satisfactory incentive program to bring total farm production into general balance with total market demand. Under this program, a predetermined part of total farm acreage (cropland, meadow, and pasture) would be placed in a conservation reserve each year and removed from production for commercial sale.

So that the production and sale of individual farm commodities could be brought into better balance with their own specific domestic and export market demand, National Farmers Union supports improvement of marketing quotas, acreage allotments and marketing agreements and orders and their extension to other commodities and the enactment of a program of marketing premium payments on sales of livestock of desirable weights and types.

NATIONAL WELFARE PROMOTED

Considerations of national welfare demand continuous concern for the income status of farm people.

In the first place, in a democracy within a republic the income situation of any segment of population, particularly one as large as the 22 million plus people who live on farms cannot and should not be disregarded.

In the second place, the immediate and longer run future welfare of the entire population is directly and intimately involved. By 1975, the population of the United States will be at least 228 million, 37 percent or 62 million more than at the end of 1955. For national safety the Nation must develop by 1975 a farm productive plant capable of producing approximately one-third more food, fiber, oil, and timber than in 1955.

Third, national prosperity with full employment, full production, and relatively full consumption is seriously endangered when any large segment of the economy such as farming continues in a depressed economic condition. It is abundantly clear in American history that major national depressions are farm led and farm fed.

Moreover, continued and deepening farm depression acts as a powerful stimulant to the increase of industrialized agricultural production, corporate farming, and an increasing prevalence of tenancy. Such trends as these are inimical to the preservation and strengthening of the family farm pattern of American agricultural production which is one of the Nation's major bulwarks of political and social stability and democracy within a republic and which is one of the Nation's best examples of hope and inspiration to the 2 billion of the world's people who live by farming but have not yet made the ultimate choice between democracy and some form of Fascist or Communist totalitarianism.

In terms of general national interest (and that of farm people) in maintaining family farm income, production, and marketing adjustment rather than support-level adjustment is the most intelligent action to reduce pressures on the farm income protection program.

If the 4 percent oversupply is adjusted by lowering support level, farm-family income drops drastically, because the support level must be dropped by 25 percent. If the adjustment is made by reducing production and marketing, farm-family income falls but slightly.

The arithmetic is as follows:

104 percent (supply) multiplied by 75 percent (prices)=78 percent gross income.	
78 percent gross income minus 52 percent (costs)=26 percent net income.	
100 percent (supply) multiplied by 100 percent (prices)=100 percent gross income.	
100 percent gross income minus 56 percent (costs)=44 percent net income.	
Net income index by cutting production-----	44
Net income index by cutting price-----	26
Difference (69 percent)-----	18

Net farm-family income would be nearly 70 percent higher by cutting production by 4 percent than by allowing prices to drop the 25 percent required to absorb the additional output in the market.

NATIONAL WELFARE PROTECTED

Farm commodity supply adjustments should be viewed as supplemental to farm income protection programs and not as income-improving devices in themselves for several impelling national welfare reasons.

First, if such devices are designed to tailor each year's production to what the market will take at prices that will enable farmers to earn full parity incomes, there is an ever-present danger that adverse crop conditions may result in low yields and therefore lead to severe shortages. Moreover, in periods of recession and depression the cutting of the production of farm commodities to the volume that the depressed market will take at fair prices to farmers would so severely reduce supply that starvation and food riots would result.

This is, of course, exactly the principle upon which big industry, big business, private profit utilities, and organized labor operates to maintain prices, wage rates, and profits while cutting production.

In 1932, steel production for the year was cut to only 20 percent of capacity. If farmers had cut their production by a similar proportion, then more than 4 of each 5 persons in the towns and cities of the United States would have starved to death. Obviously the Nation as a whole cannot allow farmers to use production adjustments as a means of income protection to anything like the same extent that it allows steel producers to use it. But it is patently unfair to sanction and condone enforced scarcity as an economic tool of steel producers, the prices of whose products make up a large share of farm production expenses, and deny the use of the same tool to farmers.

In 1954, the steel industry operated at only 71 percent of capacity, average for the year. Total industrial production dropped by 8 percent from 1953 to 1954 although industrial prices were raised. Industrial employment was cut by 7 percent but hourly wages rose 2 percent.

National Farmers Union has opposed milk strikes and other violent means of curtailing market supplies of such necessities of life as food and fiber. Moreover, we are opposed to use of such severe production and marketing adjustments as those used by the steel and other industries.

National Farmers Union places the following limits on the use of federally sanctioned and administered farm commodity market supply adjustments:

1. Production and marketing adjustments should not be used to reduce the size of already existing carryover of commodities. These should be insulated from the market, and such of them as are not needed for the national security reserve should be disposed of in nonwasteful noncommercial channels.

2. Production and marketing adjustments should not be utilized to reduce total annual production of any commodity below the volume that the market will buy at prices which will return parity farm income in view of that year's augmented domestic and export demand in a full employment economy.

To reduce production below these levels would be a great deal more serious in the case of food and fiber than in the case, for example, of steel and automobiles.

CONTINUED INCREASE IN FARM PRODUCTIVITY

Since World War II, there have been 7 years when prices received by farmers averaged 100 percent of price parity or more. During these years, farm output per man-hour increased on an average of 3 percent per year (table I). No one knows, of course, whether such increases in farm productivity will continue in future years. But we do know that farm technological improvements already tested but not adopted on most farms are more than sufficient to maintain the above rate of increasing efficiency for the next 5 or 10 years, if farm income is maintained anywhere above the 50 percent of income parity level.

In contrast, population is increasing only 1.7 percent per year and per person consumption is expanding at a rate not faster than three-tenths percent per year. This makes a total growth of demand for farm commodities of not much more than 2 percent per year, leaving a 1 percent per year drop or net drag. No one, of course, can predict future demand for farm commodities with exact accuracy.

However, if an adequate 100 percent of parity farm-income protection program is to be operated in what appears to be the future situation, some means must be used to hold down advancing farm productivity. In the short run this cannot

be done by reducing price-support levels as experience of the Eisenhower-Farm Bureau sliding-scale program dramatically demonstrated. (See table II.)

In the longer run such a policy can be effective in halting the increase of farm production only by driving down farm prices and income further and further until farm families mortgage their assets to the hilt, lose their net worth, use up their available credit, and wear out their soil, water, and other capital assets and several generations have gone through the wringer of bankruptcy.

If the preceding estimate of an approximately 1 percent drag per year is correct, this mounting excess of farm commodity supply over effective demand would push down prices received by farmers and gross farm incomes by about 5 to 6 percent per year. With relatively fixed costs of production, net farm income would tend to drop by about 10 percent per year if complete reliance was placed on the free market. If such income drop were long continued, farm production increases would, of course, ultimately be stopped. But at what a cost to farmers and the general welfare.

Each 1 percent increase of supply over demand for farm commodities reduces prices received by farmers by from 5 to 7 percent. Thus maintaining production and cutting price can only bring economic disaster to farmers and the Nation.

However, with an adequate farm income protection and price support program in operation, this same principle (the great inelasticity of demand for farm commodities) can be utilized to support the income program and make it workable and much less costly.

WEAKNESS OF EISENHOWER PROPOSALS

The Eisenhower administration, following the policy of the national officials of American Farm Bureau Federation, appear to favor the complete elimination of acreage allotments and marketing quotas, favoring instead a policy of cutting price-support levels.

Moreover, the Eisenhower-Farm Bureau soil-bank proposal was designed almost exclusively to enable Commodity Credit Corporation to dispose of the stocks owned by it on the domestic commercial market. The small conservation reserve provided for in the proposal would not have lifted the prices received by farmers for nonbasic commodities above the already deplorably low support loan levels to which they have been progressively dropped over the past 3 years.

First, the Eisenhower soil-bank proposal would not improve farm income; and second, it was designed to cut annual production of basics below annual market takings at support level so that existing carryovers could be reduced.

WEAKNESS OF EXISTING LAW

In addition to specific detailed weaknesses of existing production and marketing adjustment laws that will be discussed in separate memoranda, several major weaknesses should be listed here. These are:

1. Except for the small conservation reserve of the soil bank, only a small select list of these basic commodities—wheat, cotton, corn, peanuts, tobacco, and rice—are eligible to use the devices:
2. Too little attention is paid to protecting the income base of small family farmers;
3. They are rendered cumbersome by inapplicable or unworkable gadgetry; and
4. The \$450 million appropriation authorized for the small conservation reserve is grossly inadequate to the job assigned to it.

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4. James G. Patton's January 1956 statement to the Senate Committee on Agriculture and Forestry.
5. Willard Cochrane, The Case for Controlled Production.
6. Agricultural Marketing Act of 1936.
7. Legislative Analysis Memorandum No. 56-20, Voluntary Conservation Acreage Reserve.
8. Legislative Analysis Memorandum No. 56-21, Marketing Quotas and Acreage Allotments.
9. Legislative Analysis Memorandum No. 56-23, Marketing Premium Payments.

TABLE I.—*Parity price ratio and increasing farm efficiency and productivity, 1946-55*

Year	Farm price parity ratio	Index of farm output per man-hour in following year	Percent increase in farm productivity above preceding year
1946.....	113	92	1
1947.....	115	104	13
1948.....	110	104	0
1949.....	100	112	8
1950.....	101	113	1
1951.....	107	120	6
1952.....	100	123	2
1953.....	92	126	13
1954.....	89	130	
1955.....	84		

¹ Average for 7 years.TABLE II.—*Sliding scale has not reduced farm production—When support levels were reduced, production increased, except where marketing quotas were put into effect*

Commodity	Unit	Level of support			Production		
		Per unit		Percent change	Millions of units		Percent change
		1952	1955		1952	1955	
Wheat.....	Bushels.....	\$2.20	\$2.06	-6	1,299	¹ 938	¹ -28
Rice.....	Hundred-weight.	5.04	4.66	-8	48	¹ 53	¹ +10
Cotton.....	Pounds.....	.31	.31	0			
Do.....	Bales.....				15.1	¹ 14.6	¹ -3
Corn.....	Bushels.....	1.60	1.58	-1	2,977	² 3,185	² +7
Oats.....	do.....	.78	.61	-22	1,260	1,576	+25
Sorghum grain.....	Hundred-weight.	2.38	1.78	-25	83	232	+180
Soybeans.....	Bushels.....	2.56	2.04	-20	298	371	+30
Milk.....	Percent.....	90	75	-17			
Do.....	Pounds.....				80,812	87,773	+9
Barley.....	do.....	1.22	.94	-23	226	391	+73
Flaxseed.....	Bushels.....	3.77	2.91	-23	30	41	+37
Rye.....	do.....	1.42	1.18	-17	16	29	+81

¹ Marketing quotas in operation in 1955 but not in 1952.² Acreage allotments in operation in 1955 but not in 1952.

Source: Crop Production 1955, published by Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. BAKER. Mr. Chairman, we appreciate the invitation of your committee to express to you the thinking of our members on the pending bill. It is always a privilege as well as an inspiration to appear before your committee that has such a long and admirable parliamentary record of service to the family farm within the framework of the general welfare.

May I welcome your new member and say to him: "We are gratified to know that your sympathetic understanding of the economic problems of Georgia farm people and of family farms generally will be added to the accumulated wisdom and judgment of this committee in the broader national applications. You have indeed joined an august and worthy company in becoming a member of this committee. We shall look forward to working with you in whatever way we can be of help in the promotion of the economic opportunity of America's

family farmers in an expanding and prosperous national economy.”

Thank you for your consideration and attention.

Senator YOUNG. Mr. Chairman, I understand that Senator Mansfield was tied up with a very important meeting of the Foreign Relations Committee this morning, but he will file a statement.

Senator SCOTT. It may be inserted when received.

(The statement to be furnished by Senator Mansfield is as follows:)

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
January 26, 1957.

HON. ALLEN J. ELLENDER,

*Chairman, Committee on Agriculture and Forestry,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: I was out of the city on Friday and did not return until after the Committee on Agriculture and Forestry had concluded its hearing on S. 323, a bill relating to increased allotments for durum wheat. As you know I joined with Senator Young and a number of other Senators in introducing this legislation and I want to take this means of expressing my wholehearted support of this bill, urging that the measure be reported favorably by your committee in the near future.

During the past 2 years legislation has been enacted by Congress in the form of an incentive to increase the production of durum. As you know, this is the one variety of wheat which has not been produced in surplus and imports have been necessary to meet domestic demands. I believe that the 1956 crop was the first year that domestic production met domestic demands. This was brought about by the incentive program which allowed increased durum allotments dependent upon reduced planting of other wheat (producers were permitted to plant 3 acres of durum wheat for each acre of their existing allotment not planted to wheat other than durum wheat.)

Under the provisions of S. 323 now before your committee the incentive would be limited to 1 additional acre of durum wheat for each acre of the existing allotment that was not planted to wheat other than durum. I fear that if an incentive is not provided for the 1957 crop the situation will revert to that of previous years and a short supply of the wheat variety so important to the macaroni and spaghetti industry.

Because of the very nature of the hazards connected with durum wheat and its limited growing area, farmers will not take these risks to meet our domestic demands if there is not sufficient incentive.

Under the program as outlined in this bill, a certain amount of other wheats will be taken out of production thus helping to reduce the surplus of these wheats. In addition this additional acreage will provide a boost to the economies of many farm areas in the Midwest.

It is my understanding that Congressman LeRoy Anderson, of Montana, Second District, presented able testimony at the hearing on this durum-wheat legislation as it affects Montana. He is well qualified to speak in view of his experience as a wheat farmer.

In closing I ask that this letter be made a part of record on S. 323.

With best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

Senator YOUNG. I would hope that these hearings could be turned over to the Department of Agriculture for their perusal, and then they be asked to appear sometime, in a week or 10 days, or as soon as they have a chance to go over this testimony, and then make known their position either in writing or appear personally.

Senator SCOTT. Do you have anything further?

Senator YOUNG. I have no additional witnesses.

Senator SCOTT. If there is nothing further, the committee will adjourn, subject to the call of the Chair.

(Whereupon, at 11:55 a. m., the committee adjourned, subject to the call of the Chair.)

(The following letters were submitted for the record:)

MINNEAPOLIS, MINN., *January 19, 1957.*

HON. MILTON R. YOUNG,
*United States Senator,
 Senate Building, Washington, D. C.*

DEAR SENATOR YOUNG: I have noted with interest and favorably so, your introduction of a bill for a special durum program for 1957. I believe it will be necessary to have some kind of an incentive to sow durum in 1957 if we desire the average annual production of durum to be available to the manufacturers.

I, at one time, was not so convinced, but after visiting with a good number of farmers and others the past month or so I am forced to change my thinking. This reflection coupled with analysis of the statistical figures that are available as far as durum production is concerned over the years, would indicate that very definitely an incentive program for growing durum is necessary in 1957.

Even with an incentive program, pricewise as well as acreagewise, North Dakota farmers fell far short of their average normal seeding of durum. Our 1945-54 average acres of durum seeded in North Dakota was some 2.2 million acres. In 1956, a full million acres short or 1.2 million acres. The acreage in 1956 produced some 19 million bushels of durum. This figures out to be an average yield per acre of durum in 1956 to be 16 bushels versus 17.6 for Hard Red Spring wheat and the 10-year average of 1945-54 of 12 bushels of durum as the average yield per acre. This very definitely points out that 1956 was extremely an unusual season for the growing and production of durum in North Dakota.

We can go on and analyze the figures for Montana where the estimated durum-seeded acreage in 1955 and prior years to be about 14,000 acres. In 1956 with a durum incentive program, we find that the Montana farmers seeded some 900,000 acres with a yield in 1956 of 18 million bushels. There are some very definite reasons why such a complete revolution among the farmers in Montana took place from seeding of winter wheat, spring wheat to durum wheat.

The first point that should be emphasized is that the winter wheat acreage in Montana in 1956 winter kill and then the Montana farmer chose to sow durum on such acreage because of the incentive and privilege of seeding an additional acreage of durum. So we can think of the durum production in the State of Montana, as far as 1956 is concerned, as somewhat of flash in the pan. From personal contacts in Montana this past week, it is learned that the winter-wheat acreage is much more satisfactory and appears to be coming through in much better condition than it did a year ago. This then, namely, the winter wheat if it comes through, will not be displaced with durum seeding in 1957. Then too, we should point out that in Montana like in North Dakota, we had some very phenomenal per acreage yields of durum in 1956. The average yield of the very nominal number of acres prior to 1955 was 13½ bushels per acre compared to the 18½ bushel yield per acre in 1956.

It is true that we have somewhere in the neighborhood of 38 to 39 million bushels of durum produced in 1956. It is estimated that possibly there is an annual disappearance of approximately 25 million bushels for food, 8 million bushels for export, and 3 to 3½ million bushels for seeding purposes. This totals approximately 36 to 37 million bushel disappearance. Upon a quick examination, one would think that the production in 1956 would be adequate. But upon second thought and analysis, how many years in succession can we expect to get the phenomenal yields that we experienced in 1956.

There is another factor with the very excellent performance and the acceptance by the farmer in North Dakota of growing Selkirk wheat, a Hard Red Spring wheat, and because it is also accepted by the millers, those who have had experience in farming know that it is less hazardous, much more economical to produce Hard Red Spring wheat than it is durum wheat. Let me repeat, the average yield in 1956 in North Dakota of wheat was 17.6 bushels per acre compared to 16 bushels of durum.

This coupled with another factor at the price of the Hard Red Spring wheat, and in this case Selkirk, is cheaper by one-third than the durum seed including and assuming that there is adequate bushelage of the four new varieties of durum that are rust resistant available for seeding the 1957 crop. Right at this moment, there is a very keen interest on the part of the Canadians for the one new rust-resistant variety of durum called Ramsey. The bushelage of volume of this variety disappearing from the farmers in the United States will tend, no doubt, to stimulate an increase in prices of the remaining volume of the other three rust-resistant varieties of durum namely Langdon, Towner, and Yuma.

I do not think that we can expect 1957 to yield the same production and volume of durum per acre that we experienced in 1956. We can assume, perhaps, that we could experience more closely to the average yield per acre of somewhere around 12 bushels. If this is true, then we will need at least 2 million acres plus, seeded to durum, to take care of a goodly percentage of the possible disappearance, even in spite of the fact that we will assume that Montana will sow half the acreage they did in 1956, which I do not think that they will do because of the present situation, both moisture and the status of their winter wheat.

Personally, I am reflecting the thinking of many that the acreage incentive has a greater appeal than the price-differential incentive. I am thinking of at least 1-for-1 formula as far as acreage is concerned and I also feel that the price differential should be left as it is and was in 1956. These two incentives, particularly the average incentive, will be needed if we are to attain the production of durum that will be necessary for domestic and export consumption.

I want to say also that we should encourage the proper labeling of the products coming from durum. You have already indicated your interest and exercised your influence and certainly you are to be encouraged to continue to do so.

Yours very truly,

PAUL E. R. ABRAHAMSON,
Agricultural Department, The McCabe Co.

MINNEAPOLIS, MINN., *January 18, 1957.*

Senator MILTON R. YOUNG,
*Senate Office Building,
Washington, D. C.*

DEAR SENATOR YOUNG: The Langdon durum meeting report indicates that durum acreage for 1957 is not likely to equal the acreage grown prior to the 15B stem-rust epidemic. The high yield of Selkirk in 1956 has encouraged a greater acreage of it for 1957. Growers consider bread wheat easier to grow than durum because it is less likely to lodge and has a shorter straw than durum.

Montana grew a large acreage of durum in 1956 for two reasons: (1) The 2-for-1 privilege which allowed growers an income from their restricted or idle acres; (2) There was a heavy winter wheat loss which was sowed to durum.

The USDA reports an average production for 1945-54 of 189,000 bushels of durum for Montana and other States where durum estimates are not shown separately.

The durum processors estimate the macaroni trade will use 18 to 20 million bushels during 1956-57. Exports this year were 6,750,000 bushels and Italy purchased 3,250,000 bushels last week, making a total of approximately 10 million bushels.

It could be detrimental to durum growers and the durum milling industry if there was a short crop in 1957 because processors would again turn to substitutes. The durum industry will undoubtedly return to 100 percent durum when they are annually assured of sufficient durum to maintain a quality product.

Some of the 1956 crop was damaged by frost, which includes new rust-resistant varieties. This partially reduced the seed supply of the new durums.

Some type of special durum legislation would help in providing the necessary durum for 1957. We appreciate anything you may be able to do for durum production in 1957.

Yours very truly,

HENRY O. PUTNAM,
Executive Secretary, Northwest Crop Improvement Association.

JANUARY 26, 1957.

Hon. SENATOR MILTON YOUNG:
Hon. SENATOR WILLIAM LANGER:

The Sargent County Farmers Union County Board met in session on January 23, 1957, and unanimously recommended the following resolution:

Since there is no surplus of durum wheat and since durum wheat is considered the same as hard wheat in the wheat program, we unanimously recommend the

Young resolution which permits a farmer to seed 2 acres of durum wheat for each 1 acre of hard wheat taken out of production.

Signed, _____

OSCAR WAHLUND,
Chairman, Cogswell.
MELVIN HALMAST,
De Lamere.
CLARENCE SUNDQUIST,
Forman.
LAWRENCE KUMMETH,
Secretary, Cogswell.

Thirty-fifth Legislative Assembly, State of North Dakota, begun and held at the Capitol in the City of Bismarck, on Tuesday, the 8th day of January, 1957.

HOUSE CONCURRENT RESOLUTION "A"

(Power, Renfrow, Tollefson, Currie and Heller)

A concurrent resolution requesting the United States Secretary of Agriculture to support legislation revising acreage controls on durum wheat during 1957

Whereas North Dakota normally produces approximately 85 percent of all durum wheat grown in the United States, and the legislature of this State is vitally interested in the production of this crop:

Whereas the demand for export of durum wheat has greatly increased, as has its domestic demand, especially in the macaroni industry:

Whereas planting of durum wheat will be discouraged and curtailed if positive and favorable action is not taken on the Federal level of government to revise and change the laws and regulations governing acreage planted in durum wheat; and

Whereas the North Dakota congressional delegation will introduce legislation which should promote the interests of basic agriculture in the United States by enabling which growers to produce the durum wheat necessary to fill the increasing demand therefor: Now, therefore, be it

Resolved by the House of Representatives of North Dakota, the Senate concurring therein, That the United States Secretary of Agriculture is hereby urged and requested to support legislation introduced by the North Dakota congressional delegation for consideration by this 1st session of the 85th Congress, designed to revise the laws and regulations governing acreage control of durum wheat farmers; be it further

Resolved, That the Secretary of State is directed to forward copies of this resolution to the United States Secretary of Agriculture, to the North Dakota congressional delegation, and to the chairmen of the respective committees on agriculture of the United States Senate and House of Representatives of the 85th Congress.

B. WOLF,
Speaker of the House.
GERALD F. STAIR,
Chief Clerk of the House.
CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.

MINNEAPOLIS, MINN., January 28, 1957.

Mr. MARVIN McLAIN,

Assistant Secretary of Agriculture,

United States Department of Agriculture,

Washington, D. C.

DEAR MR. McLAIN: We wired you on January 24 urging your support of the Young bill in connection with the durum acreage allotment. As you know, farmers in the durum wheat area are reluctant to plant durum in view of their disastrous experience in 1953 through 1955 when rust practically wiped out the crop or greatly reduced yields.

The acreage allotment program on durum last year provided sufficient incentive to secure adequate durum acreage and with favorable weather conditions resulted in generous durum supplies for the first time since 1952. During this period of inadequate durum supplies, the macaroni industry was forced to substitute hard wheat products to a large extent, resulting in an inferior macaroni product. The consuming public is slow to recognize this difference in quality, but there is no doubt that the increase in per capita consumption of macaroni products was definitely stopped and a decline in consumer acceptance was occurring. This is partially evidenced by increasing quantities of imported macaroni products coming into this country and finding a market for the first time in 20 years or more. We are convinced that if the macaroni industry is again forced to use hard wheat products as their raw material because of inadequate supplies of durum, the consumption of macaroni products will decline instead of providing an increasing domestic market for the durum wheat farmer. Durum wheat milling requirements have increased from around 13 million in the the mid-1930's to a little over 25 million bushels in 1952, representing a per capita increase from around 4½ pounds to around 6½ pounds during this period. In our opinion it is not unreasonable to expect the per capita consumption to increase gradually to 10 pounds provided sufficient durum wheat is available to enable the macaroni industry to provide the necessary quality.

Unless durum wheat farmers have sufficient incentive to plant durum wheat, there are strong indications that they will plant the Selkirk variety of spring wheat where they would ordinarily have planted durum. The increased yields and better returns per acre last year on Selkirk versus durum, plus their skepticism as to rust resistance of even the new varieties of durum, make this obvious. The 1-for-1 provision in the Young bill might conceivably provide around a million and a half acres of durum which might be adequate, provided we have favorable weather conditions resulting in good yields per acre. Without the 1-for-1 program, we might well end up with under 1 million acres of durum planted this spring.

We therefore strongly urge your support of this legislation which is an absolute minimum requirement if we are to have anything like satisfactory durum supplies this coming crop year. As you probably know, we have no particular ax to grind so far as milling durum or hard wheats is concerned in that in addition to our durum mills we have 13 milling plants east of the Rockies where we mill hard winters, hard springs, or soft wheats, from any of which we can supply the macaroni industry with wheat products if other than durum products were desired. We are firmly convinced, however, that durum wheat products are essential to the well-being of the macaroni industry if it is to continue to grow and provide an ever-increasing domestic outlet for our wheat production.

Very truly yours,

ATHERTON BEAN,
President, International Milling Co.

MINNEAPOLIS, MINN., January 24, 1957.

MARVIN McLAIN,
*Assistant Secretary of Agriculture,
United States Department of Agriculture,
Washington, D. C.*

We urge your support for Young bill on durum wheat acreage now being considered. Unless durum farmers have this incentive, our best information they will turn to Selkirk variety spring wheat in view of their experience last year with better yields and less rust hazard, resulting in entirely inadequate durum supplies for domestic requirement. Macaroni industry have raised per capita consumption with durum wheat products, providing assured domestic outlet of about 25 million bushels under normal supply conditions. Unless have adequate durum supplies they are forced use hard wheat products with less public acceptance resulting declining consumption this important wheat product.

ATHERTON BEAN,
President, International Milling Co.

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DURUM WHEAT

HEARING BEFORE THE SUBCOMMITTEE ON WHEAT OF THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

H. R. 2126, H. R. 2160 and H. R. 4362

FEBRUARY 7, 1957



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DURUM WHEAT

THURSDAY, FEBRUARY 7, 1957

HOUSE OF REPRESENTATIVES,
COMMODITY SUBCOMMITTEE ON WHEAT,
OF THE COMMITTEE ON AGRICULTURE
Washington, D. C.

The committee met, pursuant to recess, at 10:15 a. m., in room 1308, New House Office Building, Hon. Carl Albert presiding.

Mr. ALBERT. The Subcommittee on Wheat has called this meeting to consider the problems of durum wheat growers. The subcommittee has before it at this time three bills: H. R. 2126, by our colleague from Montana, Mr. Anderson; H. R. 2160, by our colleague from North Dakota, Mr. Kreuger; and H. R. 4362 by our colleague, Mr. Berry. (H. R. 2126, H. R. 2160, and H. R. 4362, are as follows:)

[H. R. 2126, 85th Cong., 1st sess.]

A BILL To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the six years 1951 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction

of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection."

[H. R. 2160, 85th Cong., 1st sess.]

A BILL To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended relating to increased allotments for durum wheat

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) hereinafter referred to as 'other wheat', but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat, shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection."

[H. R. 4362, 85th Cong., 1st sess.]

A BILL To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on

the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventh-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection."

Mr. JENNINGS. Are these identical bills?

Mr. ALBERT. These bills are almost identical. I will state to my colleague from cursory examination it seems to me that the subject matter is identical. If there are substantial differences, I hope the witnesses will point them out.

Our colleague, Mr. Krueger, has asked that he be able to appear immediately since he has other business, and he also wants to introduce Senator Young.

So without further preliminaries, Mr. Krueger, we will hear from you at this time.

Mr. KRUEGER. Mr. Chairman, I have had a little difficulty, just came out of the hospital yesterday, with my eyes, and I would like to have permission to have my assistant read my statement at this time?

Mr. ALBERT. Without objection, it is so ordered.

Will you give your name?

Mr. SWENSON. Jack Swenson, administrative assistant to Mr. Krueger.

STATEMENT OF HON. OTTO KRUEGER, A REPRESENTATIVE AT LARGE IN CONGRESS FROM THE STATE OF NORTH DAKOTA, BY MR. JACK SWENSON, ADMINISTRATIVE ASSISTANT TO MR. KRUEGER

Mr. SWENSON. Mr. Chairman, and my colleagues on the committee, the purpose of H. R. 2160 which I introduced is to insure an adequate supply of durum wheat for the macaroni-processing industry.

Durum wheat is a specialty wheat. It has qualities which fill the particular requirements of the macaroni industry. I want to say more about this in a moment, but first I would like to explain briefly the provisions of this bill.

H. R. 2160 can be stated simply as a "1-for-1 acreage incentive" to wheat producers in the Dakotas, Minnesota, Montana, and in a small section of California. It provides that in the designated durum-producing areas in these States growers can increase their total plantings above their normal wheat allotment in relation to the amount of durum they seed.

It works out like this. If the normal allotment is 100 acres, and the producer plants 60 acres in other wheat and 40 acres in durum,

he receives an extra 40 acres which can be seeded to durum, or a total of 140 acres: 80 of durum and 60 of other wheat. This is safeguarded by the provision that his traditional cropland cannot be exceeded by this increased allotment—he can't plow up pastureland to put more acres into wheat under this bill.

Now I said earlier durum is a specialty wheat. It can't be raised just anywhere. A few years ago the "durum triangle" in my State raised just about all the durum produced in this country. Durum requires special weather and soil conditions which are present in the areas set out in the bill.

The principal question is this: Do we need durum wheat legislation for 1957? The answer is "yes" and I want to present some of the reasons for that answer.

Production of durum in 1956 was equal to the normal annual production for the past 10 years and is ample to meet our present needs. But total durum acreage in 1956 was not on a firm foundation. The North Dakota acreage for 1956 was about 58 percent of the average durum plantings for the years 1945 to 1954. On the other hand, in Montana, widespread winterkill of the winter-wheat crop for 1956 provided a great deal of acreage for durum plantings.

Per acre yields of durum in 1956 were considerably above the average for the previous decade. Had normal yields prevailed, the 1956 crop would have produced approximately 29 million bushels of durum rather than 39 million bushels.

The Department of Agriculture has estimated an 8½ million bushel carryover of durum on July 1. If normal acreage were planted and normal yields resulted, this "one-for-one" program might not be necessary. But if there is no incentive to plant durum, such as H. R. 2160 and similar measures would provide, there is every indication that plantings will be far below normal again in 1957.

Montana last year suffered a bad winterkill of winter wheat. A successful Montana winter wheat crop means a shrinkage of almost 50 percent and possibly more in durum plantings in Montana in 1957.

In North Dakota, grower intentions and the hundreds of letters and telegrams I have received indicate clearly that durum-wheat acreage in my State will be down unless there is an incentive provided the grower.

15-B rust hits the durum crop, it makes durum a risky crop, and so unless there is an incentive to plant durum, the wheat grower is going to turn to rust-resistant Seikirk spring wheat in 1957. That was borne out in a survey taken at Langdon, the county seat of Cavalier County, N. Dak., where the annual State durum show is held. This showed that before the 15-B rust epidemic, 80 percent of the wheat acreage of the growers questioned was planted to durum wheat. Unless there is an incentive program, only 45 percent of the acreage will be planted to durum this year.

The North Dakota Farm Bureau Federation has gone on record favoring the one-for-one incentive. The Devils Lake Chamber of Commerce favors it, the Lakota Commercial Club has wired their support, and just a few days ago the 35th Legislative Assembly of the State of North Dakota passed House Concurrent Resolution A which I would like to have entered in the record, and which says in part—

planting of durum wheat will be discouraged and curtailed if positive and favorable action is not taken on the Federal level of government to revise and change the laws and regulations governing acreage planted in durum wheat.

Moreover, the processors of macaroni and spaghetti products have tried mixing other strains of wheat with durum in their product. They indicate it has not been satisfactory and that consumption has thereby fallen. Further, some producers are convinced that processors will not return to 100 percent durum use until carryovers higher than the so-called normal are in evidence.

Mr. Chairman, and members of this committee, there is a need for durum legislation for 1957. It is needed to insure an adequate supply of a vital specialty wheat. This program provides the needed incentive, and it does so in a manner which will help reduce plantings of other wheats which are in surplus. It will reduce the plantings of other wheats and will increase the planting of durum.

For these reasons I respectfully request favorable consideration of the 1-for-1 acreage incentive such as is provided in H. R. 2160.

Mr. ALBERT. Thank you.

Mr. SWENSON. I would like to ask Congressman Krueger whether he would like to have inserted in the record at this point the resolution which he received from the Legislature of North Dakota?

Mr. KRUEGER. Yes, Mr. Chairman, I would.

Mr. ALBERT. Without objection, it will be inserted immediately following the remarks of Congressman Krueger.

(The resolution from the 35th Legislative Assembly, State of North Dakota, the 8th day of January 1957, is as follows:)

THIRTY-FIFTH LEGISLATIVE ASSEMBLY, STATE OF NORTH DAKOTA, BEGUN AND HELD AT THE CAPITOL IN THE CITY OF BISMARCK, ON TUESDAY, THE EIGHTH DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND FIFTY-SEVEN

HOUSE CONCURRENT RESOLUTION

(Power, Renfrow, Tollefson, Currie, and Heller)

A CONCURRENT RESOLUTION Requesting the United States Secretary of Agriculture to support legislation revising acreage controls on durum wheat during 1957

Whereas North Dakota normally produces approximately eighty-five percent of all durum wheat grown in the United States, and the legislature of this state is vitally interested in the production of this crop;

Whereas the demand for export of durum wheat has greatly increased, as has its domestic demand, especially in the macaroni industry;

Whereas planting of durum wheat will be discouraged and curtailed if positive and favorable action is not taken on the federal level of government to revise and change the laws and regulations governing acreage planted in durum wheat; and

Whereas the North Dakota congressional delegation will introduce legislation which should promote the interests of basic agriculture in the United States by enabling wheat growers to produce the durum wheat necessary to fill the increasing demand therefor: Now, therefore, be it

Resolved by the House of Representatives of North Dakota, the Senate concurring therein, That the United States Secretary of Agriculture is hereby urged and requested to support legislation introduced by the North Dakota congressional delegation for consideration by this first session of the 85th Congress, designed to revise the laws and regulations governing acreage control of durum wheat farmers; be it further

Resolved, That the secretary of state is directed to forward copies of this resolution to the United States Secretary of Agriculture, to the North Dakota

congressional delegation, and to the chairmen of the respective committees of agriculture of the United States Senate and House of Representatives of the 85th Congress.

B. WOLF,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.
CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.

Mr. ALBERT. Do members of the committee have any questions of Congressman Krueger?

Mr. JENNINGS. How will acreage compare this year in 1957 if your bill is passed, as to 1956?

Mr. KRUEGER. How it compares?

Mr. JENNINGS. Yes.

Mr. KRUEGER. Well, we do not know yet. This is the spring wheat, it is not yet planted. It will be planted some time in March or April, all depending upon the weather.

Mr. JENNINGS. How do you think it would—

Mr. KRUEGER. Without incentive, I think it will be considerably less. As it was indicated in my statement—

Mr. JENNINGS. Yes; about 45 percent.

Mr. KRUEGER. That is right. That is the indication given at the durum area at Langdon, N. Dak., which is the center of the durum area.

Mr. JENNINGS. With the incentive, you anticipate that it would be about the same as the 1956 plantings?

Mr. KRUEGER. I think so. I am hoping that it would.

Mr. ALBERT. Any further questions?

Mr. WATTS. I would like to ask a question just to clarify something in my own mind.

As I understand, the wheat allotment is to be increased provided it is put in durum wheat?

Mr. KRUEGER. That is correct.

Mr. WATTS. And the increase is to be an acreage equal to the acreage by which the original allotment exceeded the 1957 acres or the 1957 acreage?

Mr. KRUEGER. That is right.

Mr. WATTS. Well how much did the original allotment exceed the 1957 acreage? I do not understand what that language means exactly.

Mr. KRUEGER. Well the figure for the 1957 acreage we do not know yet, that is a matter of speculation at the present time. But it will increase the durum planting and reduce the other wheat planting.

Mr. WATTS. Now is there already an original allotment for each farm of not less than 15 acres?

Mr. KRUEGER. Well, that is in other States, not in my State. That 15 acres is to smaller operators.

Mr. WATTS. Will you provide in your bill, though, the original allotment of each farm shall not be less than 15 acres? What I was trying to find out is whether you are changing the original allotment on any farms by that provision?

Mr. KRUEGER. No, not necessarily by that provision. That is, if the smaller farmers operate and have only a wheat allotment of 15 acres—

Mr. WATTS. Well, now, in my country the farmers are permitted to grow 15 acres, but they do not have a wheat allotment.

Mr. KRUEGER. I would like to have Mr. Talbott of the Department of Agriculture answer that.

Mr. ALBERT. Will you state your name and your position?

STATEMENT OF PHILIP TALBOTT, GRAIN DIVISION, DEPARTMENT OF AGRICULTURE

Mr. TALBOTT. Philip Talbott, Grain Division, Department of Agriculture.

The question that you asked the Congressman may be explained in this manner. Every wheat producer in the United States has, under the Agricultural Adjustment Act, the right to grow at least 15 acres.

Mr. WATTS. But it does not have an allotment; does it?

Mr. TALBOTT. It is considered as an allotment in this bill.

Mr. WATTS. You mean for this bill only?

Mr. TALBOTT. For this bill only. A farmer who has no acreage allotment may seed any kind of wheat up to 15 acres without being in violation of marketing quota provisions. A farmer who has, say, a 7-acre allotment may produce up to 15 acres without being in violation.

Mr. WATTS. Right.

Mr. KRUEGER. Without being in violation.

And I think that is the point the Congressman was not familiar with.

Mr. WATTS. You mean this in allotment?

Mr. TALBOTT. That is right. In this bill the language says that it shall be considered as an allotment.

ASC officers in the States, measure the production of any farmer that participates in this program, even though he may not have an allotment. If he exceeds the normal 15 acres without an allotment for durum, he would be in violation. He must comply with the provisions of this bill and not exceed that which is permitted.

Mr. WATTS. Even though he plants durum?

Mr. TALBOTT. Even though he plants durum; yes.

We will then measure his farm to see that he is in compliance. If he exceeds the provisions of this bill—if it becomes law—he would then be in violation of this and subject to penalties.

Mr. WATTS. Well, what could a fellow in one of the counties that is being affected by this bill, who has normally been raising 15 acres of wheat, who did not have an allotment, grow under this bill?

Mr. TALBOTT. If he does not grow any, does not seed any, wheat other than durum, he could produce 30 acres.

Mr. WATTS. He can seed 15 acres of the other wheat now if he wants to—

Mr. TALBOTT. Say he seeds 1 acre of wheat other than durum under this bill. That leaves him 14 acres, his so-called allotment exceeds his planting by 14 acres. Therefore, he may seed 28 acres to durum.

Mr. WATTS. It would be 14; wouldn't it?

Mr. TALBOTT. He is not required to seed those other 14 acres in anything. He is then given an additional 14 acres upon which he is required, under the law, to seed two in durum.

Mr. WATTS. He could seed then 28 acres of durum?

Mr. TALBOTT. If he elected.

Mr. WATTS. And 1 acre of——

Mr. TALBOTT. He could actually seed 30 if he so liked.

Mr. WATTS. But if he did not seed that one acre of——

Mr. TALBOTT. To other wheat.

Mr. WATTS. To wheat—in other words, if he did not seed anything to other wheat, he could seed 30 acres of durum?

Mr. TALBOTT. That is correct.

Mr. WATTS. If he seeded 10 acres of other wheat, he could then seed 10 acres of durum?

Mr. TALBOTT. That is correct.

Mr. WATTS. What I am trying to say, if he seeds 10 acres to other wheat, he has 5 acres left over of his allotment, as you call it?

Mr. TALBOTT. That is right.

Mr. WATTS. Can he seed that 5 acres, plus an additional 5 acres to durum?

Mr. TALBOTT. That is right.

Mr. WATTS. That is right back to what I said.

Mr. TALBOTT. The point is he is not required to seed this five acres to durum.

Mr. WATTS. I realize that.

Mr. TALBOTT. He is not required to seed any of it to durum.

Mr. ALBERT. Congressman Hill is coming in. If you do not mind, I think we will hereafter limit the number of the technical questions to departmental representatives, because they are coming up with a report later, and we intend probably to call them later if necessary.

Do you have anything further to say, Congressman Krueger?

Mr. KRUEGER. Mr. Chairman, no; but I would like to have you hear Senator Young, who was kind enough to come here and testify.

Mr. ALBERT. Yes.

Senator Young, the committee is grateful that you have taken time out to come over here and be with us. We always like to have you before our committee because you have been an outstanding friend of American agriculture, and I know from my own experience have been one of those who have taken a lead in the consideration of matters pertaining to durum-wheat producers. The committee will be pleased to hear you at this time.

STATEMENT OF SENATOR MILTON YOUNG, OF THE STATE OF NORTH DAKOTA

Senator YOUNG. Thank you, Mr. Chairman and members of the committee. I especially appreciate that very generous statement. I may say that I believe over the years my own thinking on agriculture has been more in line with your committee than the one I serve with over on the Senate side.

Congressman Krueger reviewed the history of this durum-wheat legislation quite well. I think it would be well, though, to go back a little bit further.

Over the years durum wheat production has ranged between 35 million and 45 million bushels a year. Starting in 1952, we have had a rust epidemic known as 15-b rust, that was particularly damaging to durum wheat.

Durum wheat production in 1952 drops to 22 million bushels, odd bushels; in 1953 to 12 million bushels; in 1954 to only 5 million bushels, and in 1954 because the production had dropped so low, the Congress approved special durum wheat legislation.

The first year, as I recall, any farmer with a wheat allotment, could plant all of the durum wheat that he wanted to over and above his allotment, and I think it was substantially the same as that the following year.

This 1-for-1 program we have now was first proposed by a county ACC committeeman named Albert Thompson in Benson County, N. Dak. His idea was to confine, as much as he could, the production of durum wheat into the area where it was normally grown. There are several reasons why I think that should be done. Durum wheat is a wheat that cannot be produced successfully in many areas of the United States. They might produce a fairly good wheat 1 year and they would have some sad experiences in following years, both in production and in the quality of it.

Well, last year the legislation provided that if you seeded 1 acre of your wheat allotment to durum wheat, you would gain 2 additional acres over and above your allotment. For example, if you had a 100-acre allotment and planted 50 acres to durum wheat, you would be in 100 acres over and above that. Or if you planted all of your allotment of 100 acres to durum wheat, you would gain 200 additional acres, or you would wind up with 300 acres.

This legislation, together with some unusual circumstances, part of which Congressman Krueger mentioned, brought the production this last year in 1956, back up to about normal. I think it was around 39 million bushels. Part of it was due, as Congressman Anderson will tell you, to the winter wheat in Montana freezing out and planting durum wheat in place of it. And in North Dakota, an area where durum wheat is produced, they had what the farmers call really 2 crops in 1. They had up to 5 feet of snow there and with this moisture they had an unusually good crop. This 2-for-1 deal was a very good incentive. Many farmers took advantage of it. Most people, I believe in the industry, in the grain trade, in the farm organization, and farmers, believe now that if you had the 1-for-1 deal that it would provide about the right amount of incentive to keep production up.

Now I firmly believe that in the absence of durum wheat legislation, durum wheat production would drop to a very low level. There are several reasons for that.

In North Dakota, we have a wheat known as Selkirk. It is a variety of wheat we got from Canada, a very high yielding hard wheat and of good quality. That wheat, and most other hard wheats that we have, spring wheat, will yield from 10 to 15 percent more than durum wheat will.

I would like to read just one paragraph from this Wheat Pool Budget that was published in Calgary, Alberta, by the Alberta Wheat Pool. Most of the durum wheat production traditionally had been

in North Dakota—90 percent of that produced in the United States had been in North Dakota—along the Canadian border, and on the Canadian side they have produced some durum, although not a great amount. Here is what they have to say:

The Federal Department of Agriculture has issued the following: "Yield tests have been made at the Experimental Farm, Scott, Saskatchewan, for the past 11 years, comparing Thatcher, the standard bread wheat of the area, with Stewart a good-yielding, good quality durum wheat. These yield results for the period 1946 to 1956, showed that Thatcher gave a yield of 21.9 bushels compared with 18.2 bushels for Stewart, a yield of difference of about 17 percent in favor of Thatcher."

Thatcher being a hard spring wheat and Stewart the durum wheat. According to their 10-year record, spring wheat would yield about 17 percent more.

There is one other paragraph that maybe I should read:

In these tests, Stewart was a week to 10 days later maturing than Thatcher.

That is, the durum wheat was a week to 10 days later maturing, which is quite a factor up in that country where you have to contend with frost and rust.

This later maturity is a hazard in an area where there are often early fall frosts. During 1956 durum wheats in the area were more severely damaged than bread wheats by frosts during the third week in August.

Now I would like to read just a paragraph from a letter I received this morning from one who owns a considerable amount of land in the Jamestown, N. Dak., area.

He says:

The purpose of this letter is to inquire if you can give us some kind of an idea or guess as to when this subject will be crystallized.

That is, the durum wheat legislation.

That is yes or no. In my own case, and as well as in a number of others I have talked to, we are thinking of going out of durum production completely unless there is some kind of an incentive program. And it is that time of the year when we have to crystallize our next-year farm program.

Well, if these farmers go out of durum wheat production, they will be planting other crops that are in surplus, and I think we will be doing great injury to a program that has provided good markets for durum in the United States.

As you know, most all of the durum wheat is used in the making of macaroni and spaghetti. I think the macaroni people who will testify here later, who will tell you in better terms than I can, with more authority, the difference between spaghetti and macaroni made out of durum wheat and that made out of the ordinary wheat.

This legislation is supported by the American Farm Bureau Federation, the North Dakota Farm Bureau. The American Farm Bureau Federation wants an amendment which I think is acceptable and desirable, that is, that would prohibit any advantage in the soil-bank program because of the 1-for-1 deal—there was a little advantage this last year—and that would prevent any so-called windfall another year.

It is supported by the National Farmers Union, the Farmers Union in my State, and the Farmers Union Grain Terminal Association of St. Paul. It is supported by all the grain trade that I know of. Mr.

Ben McCabe of the McCabe Grain Co. appeared before our committee; Mr. Heffelfinger, president, Peavy Elevator Co., sent a statement in support of it; Cargell Co., Inc., Mr. Don Stevens, of General Mills; it is also supported by the Macaroni Manufacturers Association; and I think practically all of the farmers in the area.

Really, I do not believe it would do any injustice to farmers in other parts of the United States if this program were adopted. In fact, more of our land would be used to produce a crop for which there is a demand and for a market that we should protect. I believe that we would be far better off to have a little surplus durum wheat for the next few years to insure the macaroni industry that they would have enough durum wheat for future years. If we have a shortage, of course, they are going to have to go back to a mix and a poor quality product, and as has been the case the last 2 years, the imports of spaghetti and macaroni increases and the consumption of our own products decreases.

So I think we should encourage enough production at least to meet our needs and a little surplus in this case would not hurt the least for the next 2 or 3 years.

In closing, may I urge that if the committee thinks favorably of this legislation, that they will take the earliest possible action because we have a soil bank deadline in our State of March 8, and if at all possible, we should get an answer yes or no, on both sides of the Congress, and the Department of Agriculture, and, of course, the President who has to sign it, if we can by that time. If it would come later, along about the 1st of April, it would not be of much good to us.

I appreciate this privilege of hearing questions and I did my best to try and answer them.

Mr. ALBERT. Thank you, Senator Young. We appreciate your statement and help to the subcommittee. It will certainly be helpful to us in the consideration of this problem. I think the committee understands the importance of macaroni as a food in this country, and certainly we do not want to have the manufacture or consumption of macaroni decreased by reason of our farm program; and on the other hand, I am sure I speak for all the members of the committee when I say, we hope that our farm program will ensure that we do have a sufficient quantity of these foods. Also, I know that we want to get through with this legislation as expeditiously as possible and we are hoping that we get the report of the Department at an early date and that we do have the report before we take this matter to the floor. But we are not going to wait too long if I have anything to do with it. If the Department does not come in with a report within a few days, I am going to proceed to try to dispose of this legislation one way or another in this subcommittee.

Off the record.

(Discussion off the record.)

Mr. ALBERT. Mr. Hill?

Mr. HILL. Just one question, Senator.

H. R. 2160, by Mr. Krueger, is the bill you favor with an amendment; is that correct?

Senator YOUNG. Yes. I have not seen the other bills.

Mr. HILL. Well, now, have you your amendment, your suggested changes, so we can have them for consideration?

Senator YOUNG. Yes; I can give you that.

Mr. HILL. I want you to know, Senator, that I have worked with you on conference committees, and I, too, appreciate your coming over here. I shall cooperate with our chairman here and, as far as I am concerned, we will expedite this just as fast and just as quickly as possible. I assure you that.

We do not grow a bushel, I think, of durum wheat in my area; it is winter wheat, but our wheat problem is a wheat problem, and we realize the necessity of getting this program on its way in order to cooperate with the soil-bank program.

I am sure you will get this from our subcommittee.

Mr. ALBERT. Do either of the other Congressmen have questions?

Mr. JENNINGS. I have a question, but I do not know whether it is directed to the Senator. Maybe it should be. I remember last year when we considered this durum-wheat legislation that there was a certain valley or lake out in California that was very much interested in having the legislation applicable to that area. Would this legislation be applicable to any area producing durum wheat, or would it be restricted to the triangle area that you speak of?

Senator YOUNG. No; it would apply to any area that had established a durum wheat production history. This one county in California, I think, first established the history—

Mr. HILL. That takes care of that.

Senator YOUNG. By the reproduction of new seed we had developed in our area. We sent them to California to produce during the winter and bring them back and increase our production faster that way.

Mr. HILL. That was a new area, if I understand it, in California, a lakebed?

Senator YOUNG. Yes.

Mr. WATTS. As I understand it, all you are doing is substituting 1 for 1 for 2 for 1?

Senator YOUNG. That is right.

Mr. WATTS. It is practically the same bill except you substitute 1 for 1 instead of 2 for 1 like you did last year?

Senator YOUNG. That is right. We think the 1 for 1 will come near producing the durum-wheat we need, although I am not at all sure about it because Selkirk is a much better yielder. It has a demand, a good price on the market, a good premium because of its high protein, and it is an excellent yielder.

Mr. WATTS. The bill we passed last year was just for 1 year?

Senator YOUNG. Yes.

Mr. ALBERT. For the purpose of the record, I would like to insert, without objection, at this point, an amendment proposed by Senator Young.

Senator YOUNG. That is the one also first mentioned by the American Farm Bureau Federation.

(Amendment to S. 323 proposed by the board of directors of the American Farm Bureau Federation is as follows:)

AMENDMENT TO S. 323 PROPOSED BY THE BOARD OF DIRECTORS OF THE AMERICAN FARM BUREAU FEDERATION

Amend the bill by adding at the end thereof the following new language:
 "Additional acreage reserve payments under the Soil Bank Act, Public Law 540, Eighty-fourth Congress, shall not be made to any producer for any increased allotment added by this subsection."

Mr. ALBERT. Senator Young, thank you again for your presence. Senator YOUNG. Thank you so much.

Mr. ALBERT. Next the committee would like to hear our colleague from Montana, Mr. Anderson.

I want to state, prior to your appearance, Mr. Anderson, that you have discussed this matter with me from the very first day you came to the House of Representatives. You have urged expeditious consideration of this proposal, and you introduced the first bill introduced in the House this year. I think your constituents are to be commended on the fine showing you have made in their behalf with respect to this legislation.

STATEMENT OF HON. LEROY ANDERSON, A REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF MONTANA

Mr. ANDERSON. Thank you, Mr. Chairman, for your courtesy in calling this very early meeting to consider the durum bill. I know that my constituents and those of the other States involved are very appreciative of getting this early consideration of the durum-wheat bill.

We have had a very complete discussion, and I will try to avoid any duplication in my remarks.

I would like to emphasize the points that it seems to me are the key points in your consideration of this durum-wheat legislation.

The points, it seems to me, that this committee will need to decide in deciding whether or not they are going to favorably consider this durum incentive legislation are, first, whether or not we need a fairly substantial and assured supply of durum, or whether we can continue to do as we have in years past and get along by adulterating our durum with other types of less suitable spring wheats. We have witnesses here from the Macaroni Association and the millers and the grain trade who will, I think, fairly establish to your satisfaction that the only way in which we will be able to provide a good macaroni semolina product is by an incentive that will produce plenty of durum wheat.

Now, we have produced in years past various adulterated products which will not cook up with the right kind of a color, which are likely to cook up into a mush, the quality of which is such that we have lost a good deal of our macaroni markets, and so our total consumption of macaroni products has fallen below its normal level. It is our position that we can increase our market for macaroni and durum products if we will provide an adequate source of durum wheat.

Now, the second point that you gentlemen want to consider is whether or not we can provide such an adequate supply of durum wheat without this incentive legislation. We have witnesses present, in addition to those who have so capably presented the case up to this point, who, I think, will convince you that the only way that we will provide adequate supplies of durum is by the passage of one variation of this incentive legislation.

The only people that I have talked to regarding this legislation who were not enthusiastically in favor of it are some members of the

Department of Agriculture. As you know, we have not received a firm statement of their position. However, I do have a letter from the Department of Agriculture written to the senior Senator from Montana, Mr. James E. Murray, in response to his request to the Department for their opinion when he was holding hearings in his committee in the Senate. I would like to place the letter of the Department of Agriculture, a facsimile copy of the same, in the record as an exhibit.

Mr. ALBERT. Without objection, it is so ordered.

(Copy of the letter from the Department of Agriculture to Senator Murray, dated January 24, 1957, is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 24, 1957.

HON. JAMES E. MURRAY,
United States Senate.

DEAR SENATOR MURRAY: This is in reply to your letter of December 30, 1956, in which you requested data and other information concerning our experience with the several incentive durum wheat (class II) production programs that were promulgated under Public Laws 290, 8, and 431 for the years of 1954, 1955, and 1956, respectively.

The production figures for the 1956 durum wheat crop by counties has not as yet been reported and we expect it will be several weeks before the data are available. Rather than further delay this reply, we are now reporting 1954 and 1955 production for the States of Minnesota, Montana, North Dakota, and South Dakota. California was not included in the 1954 and 1955 programs.

The tables bearing the title "Durum (class II) Accomplishments" for each of the participating States for 1954 and 1955 are, we believe, self-explanatory. They report the number of farms, by counties, participating in the program for the 2 years; the increase in acreage allotments under the program; the total wheat acres; total durum acres; the bushels of durum harvested and the value of the durum wheat produced in each participating county. We used the annual average price for No. 2 Hard Amber Durum Minneapolis quotation to estimate the value of the crop produced in each county.

Table II titled "Wheat: Monthly Cash Prices at Minneapolis for No. 1 Dark Northern Spring 15 Percent Protein and No. 2 Hard Amber Durum" reports the price paid for these two classes of wheat, by months, for the years 1952, 1953, 1954, 1955, and to December 1956. It also reports the average monthly bushel price spread between the two classes of wheat. However, we used the annual average price for No. 2 Hard Amber Durum to estimate the value of durum wheat harvested by each participating county and State's total for the 2 years of 1954 and 1955. These values are reported for each State on their respective "durum (class II) accomplishments" tables.

Table I and table II report the United States supply-disposition beginning with 1948 through 1955, with 1956 indicated and 1957 estimated. Please note that table I reports on both class II and class III of durum wheat. Durum wheat (class II) is capable of producing Amber Durum wheat from which semolina is milled principally for the production of alimentary paste products, while class III is Red Durum and is not suitable for the production of semolina. Therefore, table II is the one in which we are interested; but we supplied table I so that you may make a comparison of the two. Some durum wheat reports, prior to 1954, include Red Durum production data which distort the production data for durum wheat (class II).

We hesitate to request incentive durum wheat legislation for 1957, principally because of the macaroni industry's small usage of semolina since the harvest of the 1956 crop, and, more particularly, consumers' acceptance of macaroni products made from blends of wheat other than durum and durum wheat. Historical use of semolina by the macaroni manufacturers is no longer a safe criterion or basis on which we can establish reasonable domestic demand.

The macaroni-manufacturing industry has demonstrated over the last several years that they have succeeded in producing consumer-accepted alimentary paste products made with farinaceous blends that were obtained by milling wheat other than durum and durum wheat. At the beginning of the "black stem rust race 15b" epidemic we believed that the macaroni-products market would be

lost to foreign macaroni producers and/or consumers would substitute other products for macaroni products. At that time, macaroni products made with 100 percent farina or blends of farina and low quantities of semolina were believed to be inferior to products made with semolina. This belief has not become factual. Our domestic consumers have accepted paste products made from blends of farina and semolina.

In addition, macaroni producers have demonstrated their reluctance to buy semolina when the market for No. 2 Hard Amber Durum was in the area of \$2.70 to \$2.80 per bushel. In fact the market broke because there were so few buyers for durum wheat (class II). Had the consumer seriously rejected paste products made with blends, macaroni producers would have paid the price for semolina obtained from milling No. 2 Hard Amber Durum rather than risk the loss of their market, but they were convinced such would not be the case. Time has proven the soundness of their judgment.

If an incentive program is promulgated, we believe it will invite overproduction, which is quite possible now that rust-resistant durum wheat varieties are available for commercial plantings. If we proposed an incentive durum wheat program for 1957 and overproduction occurred, we would then be a contributing party to our more than abundant Commodity Credit Corporation wheat stocks. In the event an insufficient quantity of durum wheat (class II) is produced in 1957, macaroni manufacturers may readily produce their products from blends without fear of consumer rejection.

Our study convinces us that the supply of durum wheat (class II) is normally in excess of domestic consumption requirements for the 1956-57 crop year to such an extent that we are able to export at least 10 million bushels, and that there are now available for 1957 planting reasonable quantities of the four durum wheat (class II) varieties which possess exceptional resistance to "black stem rust race 15b." This strengthens our conviction that durum wheat producers in the State of North Dakota, South Dakota, and Minnesota should not suffer the extensive losses caused by previous rust epidemics. Durum wheat produced in Montana and the Tulalake area of California is not disturbed by "rust race 15b." Therefore, we believe it is reasonable to expect that the normal supply and demand that now exists will continue with the 1957 crop.

The present supply and distribution situation for the 1956 crop appears to be about as follows. This is based on the assumption that industry will revert to their former 100 percent semolina usage, which has not as yet occurred on an industrywide basis. At the beginning of the 1956 spring wheat crop year we had an estimated carryover of 5 million bushels of 1955 durum wheat (class II) and a 1956 harvest of about 39.6 million bushels. From this total supply of 44.6 million bushels, we were led to believe that industry would use about 25 million bushels. We will probably export at least 10 million bushels and use about 2½ million or 3 million bushels for seed, leaving us a free balance of 6 million or 6½ million bushels to be carried over into 1958.

For these reasons we do not believe it advisable to promote a 1957 program for durum wheat (class II).

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

MR. ANDERSON. I would like to call to the attention of this committee of this committee that the Department of Agriculture has not, at least to this point, opposed this legislation. Quoting one sentence from their letter, they say:

We hesitate to request incentive durum wheat legislation for 1957, principally because of the macaroni industry's small usage of semolina since the harvest of the 1956 crop and, more particularly, consumers' acceptance of macaroni products made from blends of wheat other than durum and durum wheat.

And I would like to turn to another paragraph and read another sentence which indicates that—

Our domestic consumers have accepted paste products made from blends of farina and semolina.

Both are the type of products that I have referred to as adulterated, and I think our testimony later this morning will perhaps run counter to that.

Mr. HILL. Would you give us the date of the letter?

Mr. ANDERSON. The 24th of January.

Mr. HILL. Then who signed it?

Mr. ANDERSON. Signed by True D. Morse, Acting Secretary.

Mr. HILL. You can see what I want. I want to get him on record, too.

Mr. ANDERSON. They make an additional point in the course of the letter that they feel, as you would judge from what I have read, that we can get along with less than a full production of durum wheat. They also make the point that they think possibly we can produce enough without incentive legislation. Our witnesses will, I think, establish to your satisfaction that we must have durum if we are going to have a market, both domestic and export, for our durum products, and we also have witnesses who will establish the only way in which we will have an adequate amount of durum, according to any normal prognostications we can make, is by means of this incentive legislation.

I would like to call to the attention of this committee the crop summary of December 1956—the latest that we were able to get—summarizing the durum wheat production put out by the Crop Reporting Board of the United States Department of Agriculture. I will only ask for the reproduction of that table in here indicating the production on durum wheat. This sheet has other crops.

Mr. ALBERT. Do you want that inserted in the record at this point?

Mr. ANDERSON. I would like to have it inserted at this point.

Mr. ALBERT. Without objection, it is so ordered.

(The Annual Crop Summary for December 1956 is as follows:)

Source: Annual Crop Summary, December 1956. Crop Reporting Board, Agricultural Marketing Service, U. S. Department of Agriculture.

Spring wheat other than durum

State	Acreage harvested			Yield per acre			Production		
	Average, 1945-54	1955	1956	Average, 1945-54	1955	1956	Average, 1945-54	1955	1956
	<i>Thousand acres</i>	<i>Thou- sand acres</i>	<i>Thou- sand acres</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Thousand bushels</i>	<i>Thou- sand bushels</i>	<i>Thou- sand bushels</i>
Wisconsin.....	58	31	30	24.6	24.0	26.0	1,420	744	780
Minnesota.....	968	575	644	16.9	19.0	24.0	16,469	10,925	15,456
Iowa.....	14	10	10	18.6	26.0	17.5	256	260	175
North Dakota.....	7,542	6,232	5,609	12.6	15.5	17.5	95,495	96,596	98,158
South Dakota.....	3,028	2,006	1,264	11.4	10.5	9.0	34,521	21,063	11,376
Nebraska.....	64	20	16	13.8	11.5	12.0	884	230	192
Montana.....	3,507	2,330	2,586	14.2	21.0	17.0	50,730	48,930	43,962
Idaho.....	602	522	538	31.4	37.5	38.0	18,870	19,575	20,444
Wyoming.....	84	63	45	16.8	18.0	15.5	1,431	1,134	698
Colorado.....	109	50	47	18.8	17.0	18.0	2,055	850	846
New Mexico.....	19	15	15	14.0	18.0	13.0	271	270	195
Utah.....	83	81	79	32.0	30.5	37.0	2,670	2,470	2,923
Nevada.....	13	6	11	28.0	29.0	32.0	366	174	352
Washington.....	573	171	713	22.6	22.0	29.5	12,732	3,762	21,034
Oregon.....	218	125	194	24.4	27.0	31.0	5,251	3,375	6,014
United States....	16,894	12,237	11,801	14.4	17.2	18.9	243,636	210,358	222,605

Durum wheat

State	Acreage harvested			Yield per acre			Production		
	Average, 1945-54	1955	1956	Average, 1945-54	1955	1956	Average, 1945-54	1955	1956
	<i>Thousand acres</i>	<i>Thou- sand acres</i>	<i>Thou- sand acres</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Thousand bushels</i>	<i>Thou- sand bushels</i>	<i>Thou- sand bushels</i>
Minnesota.....	45	26	46	13.8	15.5	19.0	646	403	874
North Dakota.....	2,203	980	1,225	12.0	13.0	16.0	27,495	12,740	19,600
South Dakota.....	239	71	130	11.4	10.5	8.0	2,803	746	1,040
Montana.....	114	271	978	113.5	21.0	18.5	1189	5,691	18,093
United States...	2,489	1,348	2,379	11.9	14.5	16.6	30,963	19,580	39,607

¹ 1954 only. Included with "other spring" wheat prior to 1954.

Wheat: Production by classes, for the United States

[Thousands of bushels]

Year	Winter		Spring		White (winter and spring)	Total
	Hard red	Soft red	Hard red	Durum ¹		
Average:						
1945-54.....	559,330	193,478	205,784	31,512	158,186	1,148,289
1955.....	415,770	173,307	183,829	19,591	142,234	934,731
1956.....	442,376	185,552	175,471	39,614	154,194	997,207

¹ Includes durum wheat in States for which estimates are not shown separately.

MR. ANDERSON. It bears out the testimony that Senator Young has given us as to the various drop in durum wheat production and the fact that last year we again were up to what is a normal production of 35 million to 40 million bushels of durum wheat, a figure which we can consume as will be shown as we get our products made of 100 per cent semolina and again recover the markets we have lost during the past years of adulterated products.

I would like to call to the attention of the committee the fact that North Dakota produced 19,600,000 of the 39 million bushels produced; produced approximately half; and that Montana—and this durum production is entirely in my congressional district—produced 18 million bushels. Montana, my district in Montana, and North Dakota, produced, it must be 96 or 98 percent of all the durum produced in the United States. So, we are the people who are involved.

Mr. Krueger has given you an idea of how the plantings will drop off in North Dakota if we do not have such incentive legislation. I can tell you that the situation in Montana is even more serious for the production of durum wheat. We are newcomers in the field of producing wheat in Montana. It has only been in the last 3 years that we have produced any appreciable quantities, and we have, in 2 years of major production, reached the point where we are now producing half of the durum wheat. We do not expect to continue to produce half of the durum wheat, we expect much of that market to go back to North Dakota, because many of these 18 million bushels that we produce came as a result of unusually favorable moisture conditions last year. We probably would not have produced over 13 million or 14 million except for those favorable conditions. A substantial number, a very substantial number, of the millions of bushels were produced because a year ago at this time our

winter wheat crop in much of the territory was destroyed, and having an opportunity then in the spring, that winter wheat was planted to durum. That condition will not again be repeated because our winter wheat crop at the present time is in excellent condition.

And so no matter what legislation we pass here, my district is not going to have any fewer acres of durum than they had this year. Without suitable legislation, I would venture to predict that there would be almost no durum production in Montana, because it must then compete on an acre for acre basis with spring wheats.

There are many hazards to the production of durum wheat, with which I am sure you are very familiar, the shattering due to any type of wind or a very small hailstone; the contamination of our fields—because durum wheat is a wheat, if you raise any other type of wheat, if you get more than a few percent of durum wheat in your spring wheat, your spring wheat is sold as a seed which means that instead of getting \$2 a bushel you may get \$1.25 a bushel. So, for that reason, it is not planted by our farmers without incentive.

We have here farm growers of macaroni wheat from Montana who will give you, very briefly, about a minute apiece, their support to my opinion that unless we get such incentive legislation as this, that we will not produce a very appreciable crop of durum.

Mr. ALBERT. Do you want to call them before you finish your statement?

Mr. BASS. May I interrupt just 1 minute? I got in a little late.

Mr. ALBERT. Congressman Bass.

Mr. BASS. What does the word "incentive" mean? What are you dealing with when you say "incentive" legislation?

Mr. ANDERSON. Well, the other members will have already been briefed on the fact that this provides an additional incentive for every acre that you will plant to durum within your allotment.

Mr. BASS. What constitutes the incentive?

Mr. ANDERSON. The incentive is that you get an additional acre of durum wheat allotment outside of your normal allotment.

Mr. BASS. There is no incentive payment or anything?

Mr. ANDERSON. No.

Mr. BASS. That is what I wanted.

You are saying increased acreage?

Mr. ANDERSON. The incentive consists of additional acreage that a durum grower can plant outside of his allotment.

Mr. ALBERT. We appreciate your excellent statement. It certainly shows some preparation for this matter.

Before you call some of your supporting witnesses, some members of the committee would like to ask you some questions.

Mr. ANDERSON. Could I just put into the record one additional table which is, as Mr. Talbot tells me, somewhat out of date. It was apparently their best information on the 2d day of January. It is their estimate of the supplies, utilization, and ending stock of durum wheat and indicates an anticipated 8 million bushels as of the 1st of July.

I understand there has been some change in that. I presume you will get that from the Department. I believe it has been changed upward, according to the Department's figures. But those are unofficial and I would prefer only to place this in.

Mr. ALBERT. Without objection, the chart may be inserted in the record at this point.

(The data referred to above is as follows:)

TABLE 1.—Durum wheat—United States supply-disposition (all durum wheat, including Red Durum, class III)

	1948-49	1949-50	1950-51	1951-52	1952-53	1948-52, 5-year average	1953-54	1954-55	1955-56	1956-57, indicated	1957-58, estimated
Supplies:											
Beginning stocks (grain only, July 1).....	10,269	18,036	24,958	23,624	15,014	18,386	6,842	4,852	3,040	5,000	8,000
Production (all States).....	45,829	39,503	37,948	35,492	23,097	36,374	13,883	5,148	19,591	39,614	30,000
Imports (grains plus products).....	15	18	238	441	210	184	72	112	175	175	175
Total	56,143	57,557	63,144	59,557	38,321	54,944	20,797	10,142	22,806	44,789	38,175
Utilization:											
Food ¹	22,500	22,750	24,000	25,750	24,400	23,880	12,750	5,385	14,690	21,400	22,000
Feed and loss ²	6,759	4,240	1,969	1,616	785	3,073	855	1,144	1,106	464	500
Seed.....	5,265	4,085	3,610	3,218	2,940	3,824	2,165	1,458	2,500	2,500	2,500
Domestic disappearance	34,524	31,074	29,579	30,584	28,125	30,777	15,770	6,987	17,296	27,361	25,000
Exports:											
Grain.....	2,537	1,125	9,620	13,678	3,075	6,007	41	0	239	9,000	4,800
Semolina and flour.....	81	131	116	153	129	122	351	377	376	175	175
Macaroni and products.....	965	269	205	128	150	343	383	338	395	200	200
Total exports	3,583	1,525	9,941	13,959	3,354	6,472	175	115	510	9,425	5,175
Total disappearance	38,107	32,599	39,520	44,543	31,479	37,249	15,945	7,102	17,806	36,789	30,175
Ending stocks (grain only, June 30)	18,036	24,958	23,624	15,014	6,812	17,695	4,852	3,040	5,000	8,000	8,000
Estimated percent of production, which was Red Durum.....	8	8	6	4	3	6	2	0	6	0	0
Total grind of durum wheat	21,684	21,630	23,337	25,533	23,668	23,170	11,915	5,861	14,000	24,000	19,350
Acreage yield, and production in 3 States (North Dakota, South Dakota, and Minnesota) as reported by AMS through 1953.											
Beginning with 1954, Montana is included:											
Average planted.....	3,278	3,767	2,918	2,586	2,328	2,975	2,103	1,637	1,385	2,551	2,300
Average harvested.....	3,220	3,570	2,829	2,518	2,174	2,862	1,865	1,309	1,348	2,379	2,290
Yield per planted acre.....	13.8	10.4	12.8	13.4	9.7	12.0	6.2	3.0	14.1	15.5	13.0
Production	45,142	39,072	37,212	34,762	22,493	35,736	12,967	4,982	19,580	39,607	30,000

¹ Total grind less exports of semolina and macaroni products, plus estimated use for breakfast cereals.

² Residual. Includes possible statistical errors in supply and utilization data as reported.

³ Assumes blends averaging 60 percent durum in 1953-54, 30 percent in 1954-55, 75 percent in 1955-56 and 90 percent in 1956-57.

Source: Grain Division, Commodity Stabilization Service, Agriculture, Washington, Jan. 2, 1957.

Mr. ALBERT. Mr. Hill has a question.

Mr. HILL. Now, if I understand you correctly, Mr. Anderson, this was just for 1 year anyway?

Mr. ANDERSON. That is right, sir.

Mr. HILL. And you support the amendment as offered by Senator Young?

Mr. ANDERSON. I would be glad to.

Mr. HILL. Well, there isn't any argument amongst the growers or producers at all as to the necessity of this bill, as far as you know?

Mr. ANDERSON. None from the growers, the producers, or the processors.

Mr. HILL. That is all.

Mr. ALBERT. Do you have any questions?

Mr. JENNINGS. Yes.

I notice the only difference, just glancing at your bill and the other bill, is that your bill provides for a 6-year time while the other bill provides for a 5-year time, from 1952 through 1956, as compared with your bill from 1951 through 1956?

Mr. ANDERSON. Well, this is in response to you, along the lines of your earlier questioning.

Mr. JENNINGS. Yes.

Mr. ANDERSON. That was to make sure that that county in California to which you referred was able to qualify. I believe that possibly there may have been some counties that could not qualify. It was to make sure that we did not shut anybody out.

Mr. JENNINGS. Then they could qualify, based on your bill of 6 years.

Mr. ANDERSON. There may be counties which could not have qualified under the 5-year bill.

Mr. ALBERT. Congressman Watts?

Mr. WATTS. No questions.

Mr. ALBERT. Thank you very much.

Mr. ANDERSON. I have some things I would like to put in the record: A letter from our Senator James Murray, who was the chairman of the committee which held these hearings in the Senate, and indicating his support of this legislation.

Would it be better if I introduced these at the point in our testimony where it would be most appropriate, or will they all appear at the conclusion of the committee report?

Mr. ALBERT. They will appear anywhere you want them to appear.

Mr. ANDERSON. Then perhaps I should ask for these to be introduced at the appropriate time.

Mr. ALBERT. After all the witnesses have completed their testimony?

Mr. ANDERSON. For example, after Mr. Green has testified, then we have additional supporting testimony.

Mr. ALBERT. Off the record.

(Discussion off the record.)

Mr. ANDERSON. I received a telephonic communication from home that the legislature in Montana has passed a resolution favoring this legislation. While I have not had an opportunity to receive a copy of the resolution, I would ask that, if it comes before you print up your hearings, that resolution could be incorporated?

Mr. ALBERT. Without objection, it may be done.

(The letter from Senator James E. Murray to Congressman Anderson dated February 5, 1957, is as follows:)

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
February 5, 1957.

HON. LEROY ANDERSON,
House of Representatives,
Washington, D. C.

DEAR LEROY: You know of my continuing support of the bills to provide special acreage allowances beyond allotments for durum wheat growers. We have rebuilt domestic production through such measures in recent years. I am convinced that your bill, H. R. 2126, allowing 1 acre beyond quota for each acre of allotment planted to durum, is essential this year.

Because of conflicting committee meetings I will be unable to appear at the House hearings on Thursday. I will consequently appreciate your speaking for me in favor of the measure.

Sincerely,

JAMES E. MURRAY, *United States Senate.*

MR. ANDERSON. Then I would like to call as the first witness, Mr. Robert Green, who will speak for the processors.

MR. ALBERT. While Mr. Green is coming up, let's get an idea of how much time you are going to require. We have another meeting on and it is an important meeting, but we have promised to have this hearing so we are going to try to have it.

How many witnesses do you have?

MR. ANDERSON. I have two major witnesses: Mr. Green, who has come from St. Paul, and Mr. Glewwe from the Farmers Union. And as I indicated, I have four young farmers who would like to have about a half a minute at least.

MR. ALBERT. I am trying to dispose of this as rapidly as possible, but I do not want to cut anybody off, and I do not want to slight anyone who wants to be heard. Insofar as possible, we hope you will summarize and speed it up just as much as possible.

MR. KRUEGER. Mr. Chairman, for your information, I have no other witnesses at all.

MR. ALBERT. Thank you, Mr. Krueger.

MR. GREEN. Gentlemen, I appreciate this opportunity to appear before you.

MR. ALBERT. Will you state your name?

MR. GREEN. My name is Robert Green. I am executive secretary of the National Macaroni Manufacturers Association with headquarters in Palatine, Ill.

STATEMENT OF ROBERT GREEN, EXECUTIVE SECRETARY NATIONAL MACARONI MANUFACTURERS ASSOCIATION

MR. GREEN. My story is prepared here in written form, so why don't I just give you a copy of this, and then I will telescope it in as short a period of time as I can.

(The prepared statement of Mr. Robert Green is as follows:)

THE MACARONI INDUSTRY NEEDS DURUM WHEAT

Durum wheat, a special variety of hard spring wheat grown in North and South Dakota, Minnesota, and Montana, is almost entirely used by

the macaroni-manufacturing industry for the manufacture of macaroni, spaghetti, egg noodles, and similar products.

Because of the devastation caused by race 15B stem rust to durum, supplies have been only a fraction of normal requirements for the past several years until the 1956 crop came in.

The National Macaroni Manufacturers Association, among others, has expended considerable sums of money on research to alleviate the problem of rust and bring durum back into normal supply. These efforts are being rewarded. During the past 3 years enough seed has been developed from a few kernels of grain resistant to 15B rust to a quantity now sufficient to plant the entire 1957 crop. The comeback of durum wheat in 1956 has been called amazing by experts in the grain industry.

Nature, the Government, science and industry, and growers' perseverance have all combined to make a brighter picture, but unless some incentive is provided the grower for planting durum wheat in 1957 there will again be a shortage. This will work to the detriment of the grower, miller, processor, and consumer by requiring substitution in macaroni mixtures.

The pipelines of distribution were empty and are just now beginning to fill with the first normal crop in several years. Add to this the heaviest export demand in many years because of a world shortage of durum, and it is apparent that special legislation is needed to encourage growers to plant durum in 1957.

The 1956 durum crop of 39,607,000 bushels was not excessive when compared to the 10-year average, 1942-51, of 38 million. These were the years before 15B rust started taking its heavy toll. The average for the years 1947-51 was 40 million. The average mill grind for this period was close to 24 million bushels, and the average carryover was about 15 million bushels compared to the 9 million bushels or less in prospect for this year.

Of the 39,607,000 bushels produced in 1956, 18,093,000 came from Montana, a State that had raised very little durum in prior years. This big crop can be attributed to the 2-for-1 plan whereby growers could plant 2 acres of durum for each 1 taken out of their regular wheat allotment. Early spring estimates indicated that acreage had been planted in Montana to produce 12 million to 14 million bushels. But a large acreage of winter wheat was winterkilled and plowed under. This additional acreage was planted to durum and as a result brought the total harvest up to 18 million bushels.

Assume that a 1-for-1 plan will be put into effect this year and that growing conditions are as favorable in 1957 as they were in 1956, what total production can we expect? If we take last year's planting indications from Montana prior to winterkill of winter wheat, production might be figured at 14 million bushels instead of 18 million.

If growers participate to the extent that they did in 1956, under a 1-for-1 plan, production would be curtailed at least one-third, and the most we could expect to raise would possibly be around 23 million bushels.

It must be kept in mind that Montana has already planted a considerable amount of acreage to winter wheat on which durum was harvested in 1956, and unless another winterkill takes place this acreage would not be planted to durum in 1957.

Liberal legislation is needed if sufficient durum is to be grown to meet the needs of industry and provide for a normal carryover. If there had been no incentive program in 1956, it is conceded that very little durum would have been raised in North Dakota. A normal durum acreage carries no assurance that a normal crop will be harvested because of drought, frost, and other adverse conditions. Then, too, the introduction of Lee and Selkirk varieties of spring wheat has cut heavily into durum acreage. These varieties grow well in the durum area and remove much of the risk growers take. Unless the grower is offered an incentive to plant durum, he can take the easy way and plant these varieties of spring wheat.

The following facts are presented for your consideration:

DURUM WHEAT—WHAT IT IS

Durum is a specialty crop. It is one of the hardest of the hard spring wheats, and has a quality of gluten which seems especially adapted for the manufacture of macaroni and noodle products, enabling these products to hold their shapes in their formation, in processing, and while they are being cooked.

DURUM BACKGROUND AND HISTORY

Durum was first imported into the United States in 1864, but did not become established. It was imported again in 1898 by Russian immigrants who brought it to North Dakota. Dr. Mark A. Carleton, of the United States Department of Agriculture, imported quantities of Kubanka, a variety of durum wheat from the Russian steppes, believing that it would be particularly suited to arid areas in the United States. Kubanka was distributed by the Department of Agriculture up until about 1909 and is still grown by a few farmers in the Dakotas.

Prior to 1900, the macaroni industry was largely an Italian enterprise. Durum wheat probably began to arrive at the Minneapolis terminal market about 1902 or 1903. Durum milling in time became a specialty of certain mills because durum wheat required a somewhat different milling procedure than bread wheat. The Milnor Milling Co., of Milnor, N. Dak., probably milled the first durum flour in 1900 for the domestic use of Russian immigrants. The Oakes Milling Co., of Oakes, N. Dak., ground their first durum granulars for export to Finland, Estonia, and Sweden in 1901. This mill sold its first domestic durum granulars to the Minnesota Macaroni Co., of St. Paul, in 1902.

Durum was first ground in bread-wheat mills after necessary adjustments were made to properly mill durum, these adjustments being necessary because durum is hard and flinty. The Oakes Milling Co. built a durum mill of 350-barrel capacity, which began the production of semolina (the middling of durum wheat with a maximum content of 3 percent flour) in June 1906. Crookston Milling Co., and the La-Moure Milling Co., were advertising durum flour in 1905 in the Northwestern Miller, a milling-trade publication. Today there are seven mills which grind durum.

MACARONI INDUSTRY'S USE OF DURUM

The first macaroni processor in the United States was A. Zerega & Sons, in Brooklyn, N. Y., who began operations in 1849. Macaroni processing is reported to have begun in Minneapolis in 1888, and in St. Paul by the Minnesota Macaroni Co., in 1892. Early processors used hard-wheat farina because durum flour or semolina was not available before 1900.

The macaroni industry has become permanently established in the last 50 years. It was a minor industry in this country prior to World War I when citizens were just beginning to realize macaroni products were a desirable and wholesome food. Previously, there had been considerable quantities of macaroni products imported, but, with the outbreak of the war, Italian imports ceased and the domestic industry stepped in to fill the gap. Consumption has been increasing from an annual use of 12 million bushels in the late 1920's to about 25 million bushels annual consumption by 1952. For statistics on durum supply and distribution see exhibits I and II.

Macaroni processors use 99 percent of the durum crop, fit for milling, with puffed-wheat processors taking between 1 million and 2 million bushels of the crop annually for manufacturing breakfast cereal. This gives durum growers a permanent market for quality durum. Peak production was reached in 1928 when 6,700,000 acres were harvested. For acreage and production figures 1935 through 1956, see exhibit III. Exports of durum practically ceased by 1930, and domestic consumption did not justify a continued large acreage. However, increased demand through the years and following World War II caused acreage and production to be increased amounting to 3,278,000 acres planted in 1948, yielding 45,829,000 bushels. Acreage was increased again in 1949 to 3,767,000 acres, but production fell to 39,503,000 bushels and has continued on a downward trend since that time until 1956. These figures include Red Durum as well as lower grades of Amber Durum which are not well suited for the making of macaroni products. Such wheat is sold for livestock feed.

The short 1953 durum crop of 13,883,000 bushels forced the macaroni processor to use other winter or spring wheat farina in the mix to stretch the semolina supply. However, there is no substitute for durum quality. Macaroni processors have demonstrated this fact by the high prices durum mills have paid for durum over the past 4 years. Durum prices for the past 4 years are given in exhibit IV.

Virtually every producer in the United States, Canada, France, England, Italy, and other European countries who produces quality products demands products of durum wheat to make quality macaroni and noodle products.

THE DECLINE OF DURUM PRODUCTION

Two reasons account for the decline in durum acreage in recent years: a new variety of stem rust called 15B appeared in 1950 and severely attacked durum, which prior to that time had been considered one of the most hardy and disease-resistant types of grain. The second reason was unfavorable weather conditions which struck at harvest time in 1951 and caused severe weathering, sprout damage, and mold to the grain in the field that could not be brought under shelter.

Cold, wet weather at planting time in the spring of 1953 and again in 1954 made the crops in those years vulnerable to severe attacks from rust 15B. Durums are later to head and ripen than bread wheats and are therefore more vulnerable to stem-rust damage.

Durums have had capacity for higher yields than the hard Red Spring wheats in the durum area. Over a period of years when race 15B was not a factor, the two leading varieties of durum, Mindum and Stewart, grown at Langdon, N. Dak., in the durum area, have averaged about 10 percent higher yields. The durums have shown a similar yield advantage at Minot, N. Dak. The advantage in yield for durums at Fargo has been about 7 percent and at Edgely, N. Dak., about 2 percent over the hard spring varieties. But this advantage in larger yield is lost when varieties that lack rust resistance are attacked by 15B. It may also be lost with the introduction of the new Lee and Selkirk varieties of hard wheat with rust resistance and large yields.

EFFORTS TO HALT THE DECLINE

Because of the macaroni and noodle manufacturers' interest in durum, their trade association, the National Macaroni Manufacturers Association, has maintained a durum relations program for many years. This program includes advertising at planting time in the spring of the year in newspapers of the durum area, urging growers to plant the best durum varieties available. Exhibit V lists association advertising in the durum area.

The association participates in the North Dakota State Durum Show and in the International Grain and Hay Show held annually in Chicago, awarding a plaque to the best entry of durum wheat in an effort to give recognition and encouragement to the growers.

Memberships by the National Macaroni Manufacturers Association are maintained in the Northwest Crop Improvement Association, the Greater North Dakota Association, and the Rust Prevention Association.

The Northwest Crop Improvement Association has its executive secretary, Henry O. Putnam, do extensive fieldwork in the durum area.

The Greater North Dakota Association promotes interest in durum and better growing practices by its sponsorship of shows and clinics.

The Rust Prevention Association has worked for many years on the eradication of barberry bushes as the host of stem-rust spores.

In January 1954, Donald G. Fletcher, executive secretary of the Rust Prevention Association, presented a proposal to the durum millers and the National Macaroni Manufacturers Association that they jointly sponsor a plant breeding program for the development of rust resistant varieties of durum in cooperation with the Rockefeller Foundation in Mexico and the Departments of Agriculture in Mexico, United States, and Canada. A 3-year program was set up and successfully produced four new durum varieties resistant to 15B stem rust: Langdon, Towner, Ramsey, and Yuma.

In the fall of 1954 the State of North Dakota and the durum millers underwrote a \$100,000 project to send 50 bushels each of these 4 varieties of durum that held promising prospects for rust resistance to Arizona and Mexico for winter increase. The project was successful, and enough grain has been produced to plant the entire 1957

crop to these varieties and thereby minimize greatly the chances of attack by 15B rust.

In addition to the activities of these organizations, the National Macaroni Manufacturers Association has given grants for reasearch to the North Dakota Agricultural College for work on durum.

THE PRESENT EMERGENCY

When the macaroni-noodle manufacturing industry became aware in July of 1953 that the promising durum crop was going to be severely curtailed by rust damage, an industry meeting was called in Chicago of all of the macaroni manufacturers in the country, and the durum millers to discuss what might be done. From this meeting came plans for increased research to develop rust resistant varieties of durum, and a general consensus of opinion that the available durum should be blended at the mills with other hard spring wheats to provide the industry and the consuming public with a uniform product throughout the crop year. Consequently, semolina, as such, went off the market and a blend of 50 percent durum wheat with 50 percent hard spring wheat became the best product available.

This situation did not go unnoticed in the world markets. Imports of finished macaroni products from abroad began to increase, and the industry was approached by grain importers in the spring of 1954 with the proposition that durum wheat from abroad was available to this country, and an exchange of surplus varieties of wheat held by the United States would be accepted in payment, with the difference in market value made up in dollars.

The durum millers preferred to wait to see what the 1954 crop would produce before they would make any commitments to attempt to get imported grain.

Wet weather again delayed planting of durum in the spring of 1954, and with the delay the rust devastation made the crop failure of durum the worst in recorded history.

An industry meeting was called again for macaroni-noodle manufacturers and durum millers to determine what should be done. At the time of the meeting in mid-August 1954, the prospects were for a 10 to 12 million bushel crop, and the millers felt that the standard of 50 percent durum and 50 percent hard spring wheat could be maintained until at least the 1st of January 1955, or until further information on the crop was available. Within 3 weeks of the meeting, the crop worsened so that the prospect was less than 8 million bushels, and several mills withdrew their offers of 50-50 blends from the market and offered only blends of 25 percent durum with 75 percent hard spring wheat. The final crop report issued by the United States Department of Agriculture in December 1955, set total durum production at only 5,148,000 bushels.

Macaroni manufacturers tried all kinds of innovations to meet the situation. They tested optional ingredients such as gum gluten and egg whites to fortify and strengthen the spring wheats being used other than durum. Vacuum presses were introduced to consolidate the dough mass by the elimination of air bubbles and improve texture and color of macaroni. And, as mentioned before, the industry contributed to research work for the improvement of durum varieties and to develop rust resistance.

THE NEED FOR DURUM

There was considerable concern on the part of many manufacturers over the extent of imported macaroni and noodle products coming into this country. These were made of 100 percent durum and sold at prices below those quoted by domestic manufacturers for macaroni made of 25 percent durum and 75 hard wheat.

For the past several years the price of durum wheat in this country has been substantially higher than other wheats, yet macaroni manufacturers bought durum wheat products.

The durum grower was concerned about losing his market for durum wheat. The durum miller similarly lost sales because of the poor quality of durum he had to offer and the small amount available in the mixtures on the market.

The macaroni industry was most concerned that it would lose consumer acceptance that has been developed for the past several years by the use of high quality durum products and combined with the aggressive industry promotional program. The increase in the consumption of macaroni and noodle products has been parallel with the increased use of durum wheat products. See exhibits VI and VII on macaroni production and durum use.

Since 1948 a majority of macaroni and noodle manufacturers have been contributing to a product promotional fund to publicize macaroni, spaghetti, and egg noodles in newspapers, magazines, radio, and television, and substantial headway was being made by this program to pick up the slack in productive facilities that became available with the loss of the export market in 1948.

During the past 4 years there has been more mention of macaroni, spaghetti and egg noodles in every type of media than the industry has ever had before. Cooperative advertising and merchandising has come from such groups as American Dairy Association, the American Meat Institute, the Tuna Research Foundation, Can Manufacturers Institute, salmon packers, evaporated milk canners, cheese processors, and other related item processors. Had there not been this aggressive advertising and sales effort, the drop in consumer acceptance of macaroni products would have been more sharp, many leaders in the industry feel.

Therefore, to protect the American consumer, the macaroni-noodle manufacturer, the durum miller, and the durum grower, we respectfully request that special legislation be enacted and supported to encourage durum growers to produce an adequate crop to meet domestic and export demand and to provide for a normal carryover as insurance against the recurrence of another shortage.

DURUM WHEAT

EXHIBIT I.—*Durum supply*

[In thousands of bushels]

Year	July 1 stocks	Production	Imports	Total supply	Year	July 1 stocks	Production	Imports	Total supply
1935-36----	5,059	24,641	3,810	33,510	1946-47----	4,923	36,308	350	41,581
1936-37----	6,769	8,871	9,293	24,933	1947-48----	8,907	44,912	0	53,819
1937-38----	3,433	28,688	50	32,171	1948-49----	10,299	45,829	0	56,128
1938-39----	5,217	41,201	0	46,418	1949-50----	18,036	39,503	0	57,539
1939-40----	18,002	33,044	0	51,046	1950-51----	24,958	37,948	56	62,962
1940-41----	19,216	32,942	0	52,158	1951-52----	23,624	35,492	385	59,501
1941-42----	24,940	41,403	0	66,343	1952-53----	15,014	23,097	158	38,269
1942-43----	34,256	41,836	469	76,561	1953-54----	6,842	13,883	36	20,761
1943-44----	26,931	34,265	2,867	64,063	1954-55----	4,861	5,148	0	10,009
1944-45----	14,291	30,328	4,350	48,969	1955-56----	1,714	19,580	0	21,294
1945-46----	8,136	33,281	1,537	42,954	1956-57----	1,969	39,607	0	41,576

Source: U. S. Department of Agriculture Semiannual Durum Reports.

EXHIBIT II.—*Durum distribution*

[In thousands of bushels]

Year	Mill grind	Feed and other use	Seed	Exports	Total disappearance	Year	Mill grind	Feed and other use	Seed	Exports	Total disappearance
1935-36----	15,723	5,816	5,202	0	26,741	1946-47----	21,365	6,226	4,162	921	32,674
1936-37----	12,052	4,761	4,687	0	21,500	1947-48----	28,179	2,319	4,581	8,441	43,520
1937-38----	13,630	7,786	5,538	0	26,954	1948-49----	21,684	8,606	5,265	2,537	38,092
1938-39----	14,821	7,222	4,608	1,765	28,416	1949-50----	21,630	5,741	4,085	1,125	32,581
1939-40----	15,423	10,946	4,951	510	31,830	1950-51----	23,336	2,929	3,610	9,620	39,495
1940-41----	16,499	6,805	3,614	300	27,218	1951-52----	25,533	1,213	3,218	14,536	44,500
1941-42----	18,961	9,079	2,998	1,049	32,087	1952-53----	23,668	1,744	2,940	3,075	31,427
1942-43----	23,880	22,774	2,976	0	49,630	1953-54----	11,915	1,788	2,165	41	15,909
1943-44----	20,409	26,432	2,931	0	49,772	1954-55----	5,862	579	1,858	0	8,299
1944-45----	26,031	11,976	2,826	0	40,833	1955-56----	8,477	4,574	2,537	239	15,827
1945-46----	22,243	12,306	3,482	0	38,031	1956-57----	17,340	14,000	13,000	12,650	134,990

¹ Estimated.² To Jan. 10, 1957.EXHIBIT III.—*Durum acreage and production*

[Units in thousands]

Year	Acreage	Production	Yield bushels per acre	Year	Acreage	Production	Yield bushels per acre
1935-----	2,428	24,641	10.14	1946-----	2,493	36,308	14.56
1936-----	3,555	8,871	2.49	1947-----	2,975	44,912	15.09
1937-----	3,214	28,688	8.92	1948-----	3,278	45,829	13.98
1938-----	3,793	41,201	10.86	1949-----	3,767	39,503	10.48
1939-----	3,128	33,044	10.56	1950-----	2,918	37,948	13.00
1940-----	3,371	32,942	9.77	1951-----	2,586	35,492	13.72
1941-----	2,598	41,403	15.93	1952-----	2,296	23,097	10.05
1942-----	2,155	41,836	19.41	1953-----	1,865	13,883	6.95
1943-----	2,136	34,265	16.04	1954-----	1,327	5,148	4.18
1944-----	2,099	30,328	14.44	1955-----	1,348	19,580	14.50
1945-----	2,026	33,281	16.22	1956-----	2,379	39,607	16.60

Source: U. S. Department of Agriculture.

EXHIBIT IV.—Cash prices for durum and spring wheat—Minneapolis

[Price per bushel]

Week of—	No. 2 Hard Amber Durum	No. 1 Dark Northern Spring	Week of—	No. 2 Hard Amber Durum	No. 1 Dark Northern Spring	Week of—	No. 2 Hard Amber Durum	No. 1 Dark Northern Spring
<i>1953</i>			<i>1954—</i>			<i>1955—</i>		
Jan. 7	\$3.01	\$2.37	Con.			Sept. 20	\$3.05	\$2.43
14	3.06	2.38	May 20	¹ 3.10	\$2.30	27	3.00	2.46
21	2.99	2.37	27	3.10	2.29	4	3.00	2.43
28	2.98	2.37	June 3	3.10	2.28	11	3.00	2.43
Feb. 4	2.97	2.37	10	3.10	2.30	18	3.05	2.42
11	2.92	2.34	17	3.15	¹ 2.23	25	3.00	2.44
18	2.96	2.39	24	3.35	2.27	Nov. 1	2.90	2.44
25	2.95	2.39	July 1	3.50	2.31	8	2.95	2.45
Mar. 5	3.00	2.37	8	3.62	2.36	15	2.90	2.38
11	3.13	2.39	15	3.72	2.35	21	2.85	2.37
18	3.06	2.41	22	3.85	2.34	29	2.85	2.35
25	3.03	2.39	29	3.91	2.34	Dec. 6	2.90	2.37
Apr. 1	2.90	2.35	Aug. 5	3.91	2.41	13	2.85	2.33
8	2.95	2.39	12	3.91	2.39	20	2.85	2.34
15	2.96	2.39	19	3.91	2.38	27	¹ 2.80	2.32
22	2.96	2.38	26	3.96	2.43	<i>1956</i>		
29	2.97	2.39	Sept. 2	4.31	2.49	Jan. 5	² 2.85	2.32
May 6	2.98	2.40	9	4.35	2.55	12	2.82	2.33
13	3.01	2.39	16	4.35	2.57	19	2.82	2.33
20	2.90	2.36	23	4.35	2.54	26	2.77	2.33
27	2.93	2.40	30	4.35	2.58	Feb. 2	2.70	2.34
June 3	2.86	2.39	Oct. 7	4.40	2.62	9	2.75	2.34
10	2.89	2.38	14	4.40	2.54	16	2.75	2.33
17	2.79	2.28	21	4.40	2.55	23	2.72	2.35
24	2.79	2.30	28	4.45	2.56	Mar. 1	2.70	2.32
July 1	¹ 2.70	2.14	Nov. 4	² 4.55	2.47	8	2.70	2.31
8	2.81	2.26	10	4.55	2.51	15	2.73	2.31
15	2.88	2.30	18	4.45	² 2.96	22	2.70	2.33
22	3.06	2.20	25	4.25	2.91	29	2.70	2.34
29	3.00	2.18	Dec. 2	4.25	2.93	Apr. 5	2.70	² 2.39
Aug. 5	3.15	2.34	10	4.25	2.94	12	2.70	2.39
12	3.50	2.10	16	4.20	2.87	19	2.70	2.39
19	3.40	¹ 2.05	22	3.90	2.86	26	2.72	2.38
26	3.50	2.17	<i>1955</i>			May 3	2.72	2.36
Sept 2	3.42	2.24	Jan. 5	3.90	2.53	10	2.73	2.34
9	3.52	2.31	12	4.15	2.57	17	2.73	2.35
16	3.65	2.32	19	² 4.50	2.54	24	2.73	2.30
23	3.67	2.31	26	4.25	2.58	31	2.73	2.27
30	3.67	2.32	Feb. 2	4.35	2.53	June 7	2.75	2.30
Oct. 7	3.67	2.29	9	4.35	2.52	14	2.63	2.32
14	3.67	2.34	16	4.15	2.58	21	2.63	2.30
21	3.75	2.38	23	4.00	2.58	28	2.63	2.30
28	3.85	2.34	Mar. 1	4.00	² 2.60	July 6	2.65	2.37
Nov. 4	3.70	2.36	8	4.00	2.60	13	2.65	2.37
10	3.80	2.40	15	4.00	2.58	20	2.67	2.39
18	3.65	2.75	22	4.00	2.56	27	2.68	2.34
25	3.67	2.75	29	4.00	2.57	Aug. 2	2.65	2.33
Dec. 2	3.67	2.72	Apr. 5	4.00	2.47	9	2.65	2.35
10	3.75	2.71	12	3.90	2.49	16	2.65	¹ 2.24
16	² 3.87	2.64	19	3.90	2.55	23	2.61	2.24
22	3.82	2.66	26	3.90	2.54	30	2.59	2.26
<i>1954</i>			May 3	3.90	2.51	Sept. 6	2.57	2.29
Jan. 7	3.78	2.39	10	3.90	2.58	13	2.59	2.27
14	3.83	2.37	17	3.90	2.54	20	2.56	2.29
21	3.85	2.39	24	3.90	2.58	27	¹ 2.56	2.27
28	3.85	2.40	31	3.90	2.49	Oct. 4	2.56	2.25
Feb. 4	3.92	2.40	June 7	3.90	2.50	11	2.57	2.25
11	3.86	2.42	14	4.00	2.52	18	2.60	2.27
18	3.71	2.43	21	3.65	2.51	25	2.58	2.29
25	3.61	2.42	28	3.65	2.53	Nov. 1	2.66	2.30
Mar. 5	3.56	2.40	July 6	3.65	2.50	8	2.66	2.34
11	3.46	2.39	13	3.65	2.52	15	2.66	2.37
18	3.53	2.40	20	3.65	2.37	22	2.78	2.36
25	3.65	2.39	27	3.65	2.37	29	2.71	2.36
Apr. 1	3.62	2.38	Aug. 2	3.50	2.32	Dec. 6	2.72	2.31
8	3.62	2.39	9	3.25	¹ 2.26	13	2.69	2.36
15	3.62	2.33	16	3.20	2.29	20	2.71	2.34
22	3.57	2.37	23	3.05	2.31	27	2.69	2.33
29	3.48	2.38	30	3.05	2.35			
May 6	3.33	2.34	Sept. 6	3.05	2.39			
13	3.23	2.34	13	3.05	2.41			

¹ Low.² High.

Source: U. S. Department of Agriculture Grain Market News.

EXHIBIT V.—*National Macaroni Manufacturers Association advertising schedules in Montana, North and South Dakota weeklies, Dakota Farmer and Valley Farmer*

1950 Profit the Most . . . by Growing the Best Durum
 1951 More Durum Means More Money . . . for You
 1952 Grow the Best Durum
 1953 Now Is the Time To Grow Durum
 1954 Grow Durum, Grow Durum, Grow Durum
 1955 Wanted—40,000,000 Bushels of Durum
 1956 Protect Your Durum Market—This Is the Crucial Year

EXHIBIT VI.—*Macaroni consumption*

[Figures in thousands of pounds]

Year	Macaroni produced	Macaroni exported	Ameriean consumption	Per capita	Macaroni imported
1937	658,283	3,048	656,931	5.1	1,606
1938	677,614	3,130	675,648	5.2	1,164
1939	684,390	4,423	681,044	5.2	1,077
1940	623,405	3,590	620,690	4.7	875
1941	725,047	3,710	721,939	5.4	602
1942	860,570	2,626	857,977	6.4	33
1943	982,540	3,296	979,400	7.2	156
1944	819,913	11,119	808,979	5.9	185
1945	1,069,275	12,556	1,057,004	7.5	285
1946	1,107,221	72,108	1,035,610	7.3	497
1947	931,710	74,634	857,869	6.0	793
1948	1,139,747	223,732	916,732	6.2	717
1949	955,436	23,200	932,925	6.3	689
1950	957,469	8,826	949,505	6.3	862
1951	1,046,236	4,750	1,042,467	6.8	981
1952	1,067,242	6,150	1,063,841	6.8	2,749
1953	1,027,941	6,512	1,023,772	6.4	2,343
1954	1,040,815	5,589	1,039,866	6.4	4,640
1955	1,042,170	5,285	1,042,147	6.3	5,262
1956	¹ 1,081,000	¹ 5,000	¹ 1,081,000	¹ 6.4	¹ 5,000

¹ Estimated.

Source: Glenn G. Hoskins Co. production index and U. S. Department of Commerce figures.

EXHIBIT VII.—*Macaroni production and durum use*

[Figures in thousands of pounds]

Year	Semolina and durum flour ground	Semolina exported	Semolina and durum flour used	Macaroni produced	Year	Semolina and durum flour ground	Semolina exported	Semolina and durum flour used	Macaroni produced
1937	481,077	2,291	478,786	658,283	1947	1,056,474	36,706	1,019,768	931,710
1938	607,154	2,686	604,468	677,614	1948	1,136,720	22,027	1,114,693	1,139,747
1939	664,954	3,979	660,975	684,390	1949	953,278	3,888	949,390	955,436
1940	630,680	2,776	627,904	623,405	1950	957,262	5,788	951,474	957,469
1941	742,330	1,681	740,649	725,047	1951	1,048,234	4,271	1,043,963	1,046,236
1942	875,415	3,131	872,284	860,570	1952	1,063,817	6,602	1,057,215	1,067,242
1943	1,026,096	52,848	973,248	982,540	1953	909,124	4,739	904,385	1,027,941
1944	932,802	71,523	861,279	819,913	1954	779,956	5,095	774,861	1,040,815
1945	1,115,367	21,134	1,094,233	1,069,275	1955	688,299	12,501	675,798	1,042,170
1946	952,937	11,880	941,057	1,107,221	1956	1,076,142	(¹)	(¹)	1,081,000

¹ Not available.

Source: U. S. Department of Agriculture reports and Glenn G. Hoskins Co. index.

Mr. GREEN. Our association convention last week passed a unanimous resolution that this legislation be supported. Durum has been pointed out as a special wheat that is used almost entirely for the manufacture of our products, macaroni, spaghetti, and egg noodles.

1956 was the first normal crop in 5 years, totaling 39,607,000 bushels, and we feel that it was not excessive in view of the 10-year average prior to that which was 38 million bushels, or prior to the time the

15b rust came into the picture. We had an average mill grind prior to this rust epidemic that ran about 24 million bushels per year which was, in turn, converted into food. And during that period we have had a normal carryover that ranged around 15 million bushels. So with the present carryover indicated of nine, we are scared, frankly, that there is not going to be enough, and we think an incentive is needed to insure adequate supplies for the coming year.

I pointed out the history of the industry and our use of durum and I am going to skip that because you can see it.

Let me just make this point: The industry is an old one. It started back in 1849, commercially, but within the last 50 years, it has really become of age.

We got our firm foothold in the American market when the Italian imports were cut off after the First World War. At that time, we used about 12 million bushels of durum a year to produce enough product for per capita consumption of around 4 pounds. Between the time of the First World War and the Second World War we had increased that up to this 25 million bushels and consumption was running around 6 to 6½ pounds per person. We think with the same availability of quality raw material, we could very well get a consumption in this country of 10 pounds per person, which would again double the requirements that we have now. So we think we are on an upward trend, which is in contrast to the experience of some other cereal foods.

So the point I am trying to make is that this is a specialty product in the cereal field made from a special wheat.

Now, in 1953, when the shortage was most oppressive, there were only 13 million bushels produced and our industry was forced to go to a mixture of 50 percent bread wheats with 50 percent durum. That was the best product we could put out because there just was not enough durum to go around. At that time, imports from Italy primarily started coming in very heavily on the eastern seaboard. We were also approached by exporters of durum wheat in north Africa and Syria, who came in with the proposition that they would gladly take extra wheat that we had in surplus supply in exchange for durum, plus the difference in market value in dollars, if we could make such an arrangement. We did not take that deal, we did not pursue it, although at the time we had serious ideas of doing so because the durum millers told us "let's wait and see what the 1954 crop does."

So we waited for the 1954 crop, and that was the worst crop failure in history. We got only 5 million bushels that year. So from a 50-50 mix we were down to mix of 25 percent durum to 75 percent hard wheat and our consumption started falling off and our manufacturers had a serious loss of business.

Now, in our efforts to halt this decline, as an association, we have worked collectively with other organizations in Government in spending money for research to develop these rust-resistant varieties, help the program of winter increase to get the supply of rust-resistant wheat that we now have. During the same period of time, we have tried to tell the growers our story and to be consistent in that each spring we have advertised in the durum area as to what our requirements were.

In the spring of 1955 we asked them to plant 40 million bushels of durum. With the grind of 25 million plus requirements for seed,

puffed wheat, which takes 1 to 2 million bushels a year, and other users, it would require a crop that large. Last year we pointed out to them that it was a critical time. We urged them to plant and take advantage of the 2 for 1 program because we were in danger of losing the consumer franchise and they, in turn, were in danger of losing their market. We got the first normal crop because of the favorable conditions, which has been explained to you.

We are fearful that even with this 1 for 1 legislation we are going to be in short supply. With a million apologies to Representative Krueger, who indicated that perhaps the production might be the same as it was a year ago, under the 2 for 1 legislation, we feel that even with the same compliance you are taking 1 acre away so there is bound to be a third cut. If Montana is out of the picture, we have lost half of this year's crop, which is the first normal crop we have had. So, we are right back to where we started 5 years ago, with a substitution thrust upon us, and we just cannot change a product from day to day and keep consumers happy. They won't buy it; they will buy the imported macaroni or they won't buy macaroni at all.

I have tried to tabulate in these statistics what the supply and distribution picture is to indicate that a 40 million bushel crop would not be an excessive one. We think that is one that is a normal supply.

I have letters that I would like to put on record from the mills that indicate that they could readily supply the industry with 25 million bushel grind each year if there was enough durum in supply—that the industry will take that. I also have some letters that I would like to put on record from processors indicating that if durum is not in adequate supply they will suffer seriously from a loss of business.

Mr. ALBERT. Do you want to insert those after your remarks?

Mr. GREEN. I would like to very much.

Mr. ALBERT. Without objection, it may be done.

Mr. GREEN. That is pretty much our story.

We know durum is the only type of wheat that will make a quality macaroni because it has a type of gluten that you do not find in bread wheat. The quality of gluten in durum wheat which makes it known throughout the trade as macaroni wheat is such that it will hold its shape when the dough is forced through the die. It will hold its shape in processing when the dough is spread over the rods for dehydration, and it holds its shape when the consumer is cooking it in the boiling water in preparation for serving it as food. Other wheats just do not do it, and mixtures do not do it.

So you can make a macaroni form out of any type of cereal product. In Japan, I understand, they make it out of rice flour, but it is not quality merchandise and the consumer will not take it over a long period of time.

We sincerely urge that this legislation be passed in order to give the industry an adequate supply of quality material so that we can serve the consuming public.

Mr. ALBERT. Thank you, Mr. Green, for your very informative statement. While it is on my mind, there is just one question that I have. The only objection, as I understand it, that could come from the Department on this matter would be the question of excessive production, would it not?

Mr. GREEN. That is right.

Mr. ALBERT. Could a carryover of, say, 15 million or 20 million bushels, in view of the fact this is legislation for 1 year, possibly injure the program in the long run?

Mr. GREEN. We do not think so. I have tabulated in these statistics that I have submitted the weekly price of durum wheat as compared to No. 1 Dark Northern Spring, which is the competitive product. These figures are taken from the weekly Government report on cash grain markets, and there has always been a premium for durum. The industry wants it and pays a premium to get this type of wheat. In the past years, historically, prior to the rust situation, 15 million bushels was considered a normal carryover. Here we are faced with nine or possibly less. We have got more exports going out this year than we had before.

Mr. ALBERT. How long will it maintain its quality?

Mr. GREEN. Will the wheat maintain its quality in storage?

Mr. ALBERT. Yes.

Mr. GREEN. I do not know that storage affects the quality at all. I cannot tell you. I am not an expert on that. We buy the mill products from the miller. We do not buy the wheat.

Mr. ALBERT. Thank you. Any other questions?

Mr. BASS. I would like to ask one or two, just very briefly.

You state that supply is lower than it has been several years, from 15 million down to 9 million. I notice in January 1955 you had a high price; you were paying \$4.50 a bushel?

Mr. GREEN. Yes, sir.

Mr. BASS. Even in the face of decreasing supplies, I notice that the price has gone down to a low in September 1956 of \$2.56 a bushel. Now, how can you account for that?

Mr. GREEN. The higher figure of \$4.55 in November of 1954 occurred right after the crop failure when only 5 million bushels came in. It was caused entirely by that shortage, the lowest period in history. In 1955 we had a 19 million crop and this year we had a 39 million. So that high price was at the low point of production. It has come up in the last 2 years.

Mr. BASS. Well, in other words, it appears to me that as the supply increases, and should we increase the acreage of durum wheat, we are, in effect, forcing the price down?

Mr. GREEN. Well, there are two considerations here: When a product is not available, the price becomes high, but it does not do anybody any good because you cannot buy it. The limited amount that was there was available at \$4 a bushel and it was taken at that price. But when it came back in adequate supply it got back down to the normal relationship which is 25 to 30 cents a bushel over spring wheat. We are back to normal now.

Mr. BASS. Now, let me ask you this. What has been the flexibility of the price to the consumer of your product during this period of time?

Mr. GREEN. I do not think there has been any price change since the fall of 1954, and it has been accounted for by the fact that in the period of decline in our raw material costs that is indicated here, we had a raise in cost of labor, freight, packaging, overhead, and so on. There has been no change at all in the price structure of macaroni in this period. The difference has come about by the improvement of the quality of the product.

Mr. BASS. I see that about now you do not have the 1956 price, but I see along in December of 1955 it was selling in the general area of \$2.70 a bushel.

Mr. GREEN. Yes, sir.

Mr. BASS. Now should we increase the quota here—and what do you anticipate that we should increase that quota to—to a 20-percent increase in wheat production next year would you anticipate that the price would continue to go down, decline, in the same proportion it has as the supply has been increased in the past 18 months?

Mr. GREEN. I do not know that I can answer that question. I can tell you that historically over the years, in all recorded history, there has always been a premium and a spread of 25 to 30 cents normally. When both crops were in adequate supply—

Mr. BASS. Here is what I am trying to get at. I am not saying that I either agree or disagree with the legislation, I am trying to learn about it.

Mr. GREEN. Yes, sir.

Mr. BASS. But we have what would be termed as an ideal situation, where the market demands what is being produced.

Mr. GREEN. Right.

Mr. BASS. And the price is comparatively good, or above that of other types of wheat?

Mr. GREEN. Right.

Mr. BASS. Now should we increase this acreage, I am wondering whether we might get into a situation then where we would have an oversupply and have to have Commodity Credit Corporation buy a part of it?

Mr. GREEN. We think if the supply is there, that the industry will go to it entirely. At the present moment, we are not 100 percent on durum. That is part of the argument that the Department of Agriculture has brought forth, "you did not take this crop the minute it came in"; and they are absolutely right. We have an element in our industry that has not gone to 100 percent durum. During the shortage they learned new techniques of blending these other wheats, they have introduced vacuum presses which do a better job in making the dough. They have added gluten flour, they have added, for example, egg whites to fortify the product and make it stronger and some of them say "we can get along without paying this high price for this high-priced raw material—if it is not going to be there, why should we change our mix and change the blend and increase our cost to the consumer." But we feel very strongly that the majority of the industry competitively will force these people to improve their quality or go out of business. That has been the case all along.

Mr. ALBERT. Along that line, with a greater incentive program you did not get an extraordinary carryover last year?

Mr. GREEN. That is right.

Mr. ALBERT. And this is only a 1-year program?

Mr. GREEN. That is right. If we do not get the crop this year, we fortify the arguments of the people, of the element of our industry that we regard as the least progressive manufacturers, the rice cutters, the dealers in poorer quality. They are a minority element, but they are there. We cannot deny that.

Mr. ALBERT. Any further questions?

Mr. JENNINGS. Just one observation.

Then you do not agree with the seemingly objection of the Department here that the public is accepting the substitute or the mushier type?

Mr. GREEN. Absolutely not. We had half a dozen manufacturers here yesterday to meet with members of the Department of Agriculture. Fifty percent of the industry's production is in the metropolitan areas, the high population centers of the eastern seaboard, and they, categorically, right across the line, are the ones that are using 100 percent durum and see the loss of their business if they do not have it.

Mr. WATTS. I would like to ask one question.

This 9 million-bushel carryover—who has that, Commodity Credit or the processors?

Mr. GREEN. Now you have got me. I do not know who has it. It is spread out—farm elevators, mills. I do not know what the holdings of the CCC are, if any. It is spread all through the channels of distribution. And that is a projected figure on an estimate of what we are going to use this year. I think the official figures in the semi-annual durum report that came out in August indicated that the stocks on hand at the time of the start of this crop here was 1,900,000, but they did not know what was on the farms. The trade thinks that perhaps there were 3 million or 4 million bushels carryover at that time, spread all through the channels of distribution.

Mr. KRUEGER. Mr. Chairman?

Mr. ALBERT. Mr. Krueger.

Mr. KRUEGER. I do not believe the CCC holds any of the durum. And the reason the farmers do not sell the durum, make a loan, is because they are selling it on the market at a greater price than the Government will give them.

Mr. ALBERT. Thank you, Mr. Green.

Who is your next witness?

Mr. ANDERSON. I believe Mr. Green had some letters.

Mr. ALBERT. Without objection, those letters may be inserted at this point in the record.

(The letters referred to are as follows:)

JANUARY 28, 1957.

Mr. MARVIN McLAIN,

*Assistant Secretary of Agriculture, Department of Agriculture,
Washington, D. C.*

DEAR MR. McLAIN: We wired you on January 24 urging your support of the Young bill in connection with the durum acreage allotment. As you know, farmers in the durum-wheat area are reluctant to plant durum in view of their disastrous experience in 1953 through 1955 when rust practically wiped out the crop or greatly reduced yields.

The acreage allotment program on durum last year provided sufficient incentive to secure adequate durum acreage and with favorable weather conditions resulted in generous durum supplies for the first time since 1952. During this period of inadequate durum supplies, the macaroni industry was forced to substitute hard wheat products to a large extent, resulting in an inferior macaroni product. The consuming public is slow to recognize this difference in quality, but there is no doubt that the increase in per capita consumption of macaroni products was definitely stopped and a decline in consumer acceptance was occurring. This is partially evidenced by increasing quantities of imported macaroni products coming into this country and finding a market for the first time in 20 years or more. We are convinced that if the macaroni industry is again forced to use hard wheat products as their raw material because of inadequate supplies of durum, the consumption of macaroni products will decline instead of providing an increas-

ing domestic market for the durum-wheat farmer. Durum wheat milling requirements have increased from around 13 million in the mid-1930's to a little over 25 million bushels in 1952, representing a per capita increase from around 4½ pounds to around 6½ pounds during this period. In our opinion it is not unreasonable to expect the per capita consumption to gradually increase to 10 pounds provided sufficient durum wheat is available to enable the macaroni industry to provide the necessary quality.

Unless durum-wheat farmers have sufficient incentive to plant durum wheat, there are strong indications that they will plant the Selkirk variety of spring wheat where they would ordinarily have planted durum. The increased yields and better returns per acre last year on Selkirk versus durum, plus their skepticism as to rust resistance of even the new varieties of durum make this obvious. The 1-for-1 provision in the Young bill might conceivably provide around a million and a half acres of durum which might be adequate provided we have favorable weather conditions resulting in good yields per acre. Without the 1-for-1 program, we might well end up with under 1 million acres of durum planted this spring.

We therefore strongly urge your support of this legislation which is an absolute minimum requirement if we are to have anything like satisfactory durum supplies this coming crop year. As you probably know, we have no particular ax to grind so far as milling durum or hard wheats is concerned in that in addition to our durum mills we have 13 milling plants east of the Rockies where we mill hard winters, hard springs, or soft wheats, from any of which we can supply the macaroni industry with wheat products if other than durum products were desired. We are firmly convinced, however, that durum-wheat products are essential to the well-being of the macaroni industry if it is to continue to grow and provide an ever increasing domestic outlet for our wheat production.

Very truly yours,

ATHERTON BEAN, *President.*

MARVIN McLAIN,
*Assistant Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.:*

We urge your support for Young bill on durum acreage now being considered. Unless durum farmers have this incentive, our best information they will turn to Selkirk variety spring wheat in view their experience last year with better yields and less rust hazard, resulting in entirely inadequate durum supplies for domestic requirement. Macaroni industry have raised per capita consumption with durum wheat products, providing assured domestic outlet of about 25 million bushels under normal supply conditions. Unless have adequate durum supplies they are forced use hard wheat consumption this important wheat product.

ATHERTON BEAN, *President, International Milling Co.*

FEBRUARY 1, 1957.

Mr. MARVIN McLAIN,
*Department of Agriculture,
Washington, D. C.*

DEAR MR. McLAIN: We have been informed that there will be a hearing at your office on Wednesday, February 6, at 10 a. m., at which time Senate bill 323 will be discussed. It is our intention to have our representative, Mr. Roger F. Di Pasca, attend the said hearing. However, because of the vital importance to this company of the subject matter involved, we believe it prudent to state our position in writing to you in the event some unforeseen circumstances might prevent the attendance of our representative at the said hearing.

It has come to our knowledge that a survey made by a member of the Grain Branch, Commodity Stabilization Service, revealed consumer acceptance of substitute wheats as to make special legislation for durum wheat unnecessary. We should like to go on record that such findings are directly opposed to our contention that only durum wheat as a sole ingredient will produce good quality macaroni products. We have been manufacturing macaroni products and egg noodles for well over 50 years and we know that our market will not accept a substitute for durum wheat semolina. During the recent critical shortage of durum wheat when we were obliged to use blends varying from 50 to 25 percent durum, we experienced countless complaints concerning the change in the quality of our product. We also found that many of our consumers had switched from

our brand to an imported macaroni product due to the fact that the imported product contained 100 percent durum wheat semolina. For the past year, as soon as our contract commitments for blends could be filled or canceled, we have been using only durum wheat semolina in our manufacturing process. In the event there will be no special legislation to permit the planting of durum wheat on extra acreage and in view of the heavy exports of durum wheat during the past months continuing to the present time, we are fearful that there will be less than a normal durum crop in 1957, even though favorable growing conditions are present.

For the reasons heretofore stated and for other good and sufficient reasons which will be presented verbally by our representative on the day of the hearing, we respectfully urge that the Department of Agriculture will recommend passage of Senate bill 323.

Respectfully yours,

RONZONI MACARONI CO., INC.,
EMANUELE RONZONI, Jr.,
President.

ALFONSO GIOIA & SONS, INC.,
Rochester, N. Y., February 4, 1957.

Mr. MARVIN McLAIN,
*Assistant Secretary of Agriculture,
Department of Agriculture, Washington, D. C.*

DEAR Mr. McLAIN: As manufacturers of macaroni and egg noodle products we are vitally concerned with the supply of durum wheat. Although the durum wheat crop harvested in 1956 was quite sufficient it looks very much as though a real shortage will develop over the coming crop year.

Since about half of our current durum supplies came from Montana, and it appears that little durum will be grown there this year, we hope that your Department will encourage and support measures to maintain the growing of durum wheat.

Montana's growing of durum last year came about largely because the winter wheat acreage had failed, and the same land was seeded to durum the following spring. It is our understanding that Montana's winter wheat now in the ground is in excellent shape. Too, the growers get better yields per acre with their winter wheat and thus little if any acreage was held out for durum.

Historically most of our durum has been grown in the Durum Triangle of North Dakota. We believe that Senator Young's bill would materially increase the durum production there. For the first time, rust-resistant seed is available for all acreage to be seeded, yet were are afraid the farmers will hesitate to make use of it because of their very disappointing crops in 1953, 1954, and 1955 with rust susceptible varieties of durum in those years.

Now that the years of work by the agronomists in developing rust-free grain has born fruit we hope the incentive will be given the durum grower to make use of the seed. We feel quite sure that the incentive need be given only this one year, and then the growers' experience with rust-resistant durum will insure continuing supplies.

During the past few years when curtailed supplies of durum wheat necessitated our using other hard wheats for the manufacture of our products, we helplessly stood by and watched our customers switch to imported products made of 100 percent durum. These were customers that it took a long time to acquire. As soon as our domestic crop was available in 1956 we immediately began using only durum and we are happy to say our sales vividly point to the necessity of using durum for the best quality of macaroni, spaghetti and egg noodles.

We respectfully solicit your support in providing incentives that will insure sufficient durum plantings this year.

Sincerely yours,

HORACE P. GIOIA.

JANUARY 18, 1957.

Senator MILTON R. YOUNG,
Senate Office Building, Washington, D. C.

DEAR SENATOR YOUNG: The Langdon durum meeting report indicates that durum acreage for 1957 is not likely to equal the acreage grown prior to the 15-B stem rust epidemic. The high yield of Scikirk in 1956 has encouraged a greater

acreage of it for 1957. Growers consider bread wheat easier to grow than durum because it is less likely to lodge and has a shorter straw than durum.

Montana grew a large acreage of durum in 1956 for two reasons: (1) The 2-for-1 privilege which allowed growers an income from their restricted or idle acres; (2) there was a heavy winter wheat loss which was sowed to durum.

The USDA reports an average production for 1945-54 of 189,000 bushels of durum for Montana and other States where durum estimates are not shown separately.

The durum processors estimate the macaroni trade will use 18 to 20 million bushels during 1956-57. Exports this year were 6,750,000 bushels and Italy purchased 3,250,000 bushels last week, making a total of approximately 10 million bushels.

It could be detrimental to durum growers and the durum milling industry if there was a short crop in 1957 because processors would again turn to substitutes. The durum industry will undoubtedly return to 100 percent drum when they are annually assured of sufficient durum to maintain a quality product.

Some of the 1956 crop was damaged by frost, which includes new rust-resistant varieties. This partially reduced the seed supply of the new durums.

Some type of special durum legislation would help in providing the necessary durum for 1957. We appreciate anything you may be able to do for durum production in 1957.

Yours very truly,

HENRY O. PUTNAM, *Executive Secretary.*

MR. ANDERSON. I have two letters along the same line.

MR. ALBERT. Without objection, they may also be inserted at this point in the record.

(The letters referred to are as follows:)

THE McCABE CO.,
Minneapolis, Minn., February 5, 1957.

Hon. LEROY ANDERSON,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN ANDERSON: I am sorry I will not be able to appear before the House Agricultural Committee to testify on the durum bill. However, I enclose herewith my statement which I would like to offer to the committee.

Yours very truly,

BEN C. McCABE.

STATEMENT OF BEN C. McCABE, PRESIDENT, THE McCABE CO., MINNEAPOLIS, MINN.

I am Ben C. McCabe of Minneapolis, Minn., president of the McCabe Co., operators of country elevators and feed mills in the four northwestern States. However, in my testimony before this committee, I represent not only the views of myself and our company, but also those of the majority of other country elevator operators in the area—both privately owned and cooperative—and the semolina millers of our area.

We feel that after 3 or 4 subnormal durum crops in our area, continued favoritism will have to be shown to the durum acreage if production is going to be definitely reestablished sufficient to cover our domestic needs plus a small overage for protection in case of a short crop which in the meantime would go for export.

It is our definite belief that the above goal can be better reached through acreage favoritism rather than a higher support price.

With our farmers drastically limited by the acreage allotments on wheat, the additional acres they were allowed to seed of durum last year made quite a hit—in fact, I don't believe we would have had an increased durum acreage in North Dakota and Montana if it had not been for the 2-for-1 deal on acreage going into durum.

I wish to point out particularly that race 15-B of rust attacked all existing varieties of durum in a catastrophic way, virtually destroying the crop for several years. During those years an intensified effort was put down to develop and propagate varieties of durum that were resistant to 15-B. Our agronomists were successful and due to highly cooperative efforts on the part of everyone interested, the supply of these resistant varieties was increased with extreme rapidity by planting crops during the wintertime down in Mexico and doubling up on production.

The spring of 1957 will be the first year that these resistant varieties are available to farmers generally. I think it would be tragic if a real effort is not made by Congress and the Department of Agriculture to see that these resistant durums are well established—particularly in what we have called the Durum Triangle. Durum will have to be favored if it is going to be reestablished in this area.

We are particularly fortunate with bread wheats that Canada had developed Selkirk wheat at just about the time race 15-B hit us. Large importations of Selkirk seed were made from Canada and it gave a very good account of itself last year in the eastern areas and especially in the whole durum triangle in 1956.

In 1956 the average yields of bread wheats in North Dakota were 17.5 bushels per acre. The average yield on durum was 16 bushels per acre and rust was not much of a factor last year.

Now it was rather an unusual year when bread wheats outyielded durum in the durum area. But with the showing that Selkirk wheat made last year, the farmers in that area will not be weaned away from it without some coaxing. So for this reason particularly, we plead that durum be given at least 1 more year of acreage favoritism so as to have a chance to become reestablished in its own area.

We can understand that the Department of Agriculture and this committee are disappointed with the probable disappearance of durum in this crop year. However, we would like to point out the following mitigating circumstance.

Manufacturers of macaroni and spaghetti products made rather large forward bookings of semolina last summer before the durum crop was assured and, generally, these bookings were on the basis of a blend of 50 percent durum semolina and 50 percent bread-wheat semolina. So that during most of the first quarter, and even part of the second quarter, of this crop year, it was these blends that went into consumption. It is our understanding that, as of the present, virtually all semolina processors are switching to a 100 percent durum product, but because of the blends used in the early part of the crop year, it is probable that only about 18 million bushels of durum will be used. Next year we should be able to look forward to a use of around 24 or 25 million bushels when the processors will be using a full 100 percent durum semolina for the full 12 months.

Now we will undoubtedly have a carryover of several million bushels of durum this year, but bear in mind that the per bushel yield on durum this year was several bushels over normal, especially out in Montana. We cannot expect that to repeat itself year after year. If we had had average durum yields in 1956, we would have produced 29 million bushels of durum—not 39 million bushels, which was produced. In making their decision, the Department of Agriculture and this committee will have to have this point definitely in mind.

The big increase in durum acreage in 1956 was out in Montana. The fall of 1955 was very dry, winter wheat got off to an extremely poor start and much of it winterkilled or never did come up. However, spring rains came along soon enough so that farmers were encouraged to put in a crop and, with the advantage given to durum, there was a very heavy shift to the planting of the crop and it turned out very, very well. This State seeded 978,000 acres and harvested a crop of over 18 million bushels. The farmers out there are well pleased with the return they are getting on durum from this crop, and you might expect that they would continue to grow durum next year with no special acreage inducement. However, that is not true.

While in North Dakota spring wheat yielded more than durum wheat, the Montana farmer compares the durum yield not with spring wheat, but with winter wheat, and winter wheat under the same conditions will outyield durum by 5 to 20 bushels per acre.

Montana was fortunate last fall. There was enough moisture to get the new winter wheat crop off to a good start and our last reports are that the crop is still in very good condition. As a consequence, we will not have the abandoned winter wheat acreage to go into durum this year.

I can point specifically to one of our fine farmer customers at Rosebud, Mont.—Mr. Clifford Wright, who ordinarily crops a thousand acres per year. His entire winter-wheat crop last winter was destroyed. He reseeded to durum wheat. He had a poor crop—about 10 bushels per acre—but, nevertheless, he did harvest 10,000 bushels of durum wheat and he was satisfied under the circumstances. However, this fall he planted his thousand acres into winter wheat. It came up to a fine stand, stood well, and at this time Mr. Wright states his crop is 100 percent. He will not be seeding any durum this spring. The same story can be repeated time after time over the Montana area.

As a consequence, if we are going to avoid a sharp decrease in the durum acreage in Montana, the acreage will have to be taken out of barley and spring wheat to a greater extent than what it was last year. Last year the farmer was allowed to seed 3 acres of durum for every acre of bread wheat which he took out of his allotment. Now the proposal is to cut the durum acres down to two for every bread-wheat acre that is taken out of the farmer's allotment. It is doubtful that the farmers, who didn't go in any heavier than they did last year on the higher acreage, will go in as well this year on the proposed lower basis.

Without a very considerable incentive, we feel sure there will be a very drastic reduction in the durum acreage in Montana, and, if they get back to normal yields, the crop could amount to only about a third of last year's crop. In that case the country would be faced again with a durum shortage. I don't think this committee or the Department of Agriculture wants to take the risk on that.

I wish to point out also that we will have some compliance with the soil bank in the durum area. Just how severe the acreage cutback will be on durum from the soil-bank plan, I cannot say. However, there is no doubt but what the soil bank will cause some reduction in the durum acreage.

So, for the above reasons, I strongly recommend that Congressman Anderson's bill be endorsed by this committee and passed by this Congress.

KING MIDAS FLOUR MILLS,
Minneapolis, Minn., February 5, 1957.

HON. LEROY ANDERSON,
House of Representatives, Washington, D. C.

DEAR MR. ANDERSON: Mr. Ben McCabe informed us today that there is to be a hearing before the House committee on the legislation dealing with the durum wheat acreage allotment, to be held in Washington on Thursday, February 7.

We are enclosing copy of a letter which we sent to Mr. Marvin McLain, and you may be interested in our comments.

Yours truly,

H. E. KUEHN, *Executive Vice President.*

KING MIDAS FLOUR MILLS,
Minneapolis, Minn., February 1, 1957.

MR. MARVIN McLAIN,
*Assistant Secretary of Agriculture,
Department of Agriculture, Washington, D. C.*

DEAR MR. McLAIN: As Senator Young's bill dealing with durum wheat acreage allotment is now being reviewed by your Department, we wish to give you our reasons why we think Senator Young's bill should be enacted.

1. The following table shows that in 9 successive years, 1944 through 1952, the durum mills ground in excess of 20 million bushels annually:

1944-----	21, 942, 782	1951-----	24, 376, 164
1945-----	25, 924, 365	1952-----	25, 203, 783
1946-----	21, 007, 510	1953-----	17, 790, 052
1947-----	23, 933, 177	1954-----	8, 697, 866
1948-----	25, 634, 185	1955-----	5, 892, 461
1949-----	21, 894, 381	1956-----	11, 707, 826
1950-----	21, 928, 683		

The average grind for the 13-year period was \$19,687,171 bushels. The figures also show that the mill grind for the years 1951 and 1952, before we had a serious decline in our durum crop, amounted to 24 and 25 million bushels, respectively.

2. When the rust epidemic first seriously reduced wheat production, macaroni manufacturers made a desperate effort to stay with durum. This is evidenced by the fact that, even when confronted with a crop failure, the macaroni manufacturers stayed with durum, forcing the price of durum wheat as high as \$4.65 per bushel on January 17, 1955. The demand for durum in the face of short supplies kept the price of durum wheat at Minneapolis over \$3 per bushel from July 1953 to October 1955. During long periods in between, the price of durum wheat was over \$4 per bushel. With the price of durum wheat so inordinately high, it was inevitable that the macaroni manufacturers turned to substitutes. The macaroni trade did not turn away from durum by choice. There just was not enough durum to be had at any price.

3. During the period when the macaroni manufacturers were forced to use substitutes, the demand for a top quality durum macaroni was to insist that imports of semolina macaroni and spaghetti were increased tremendously.

4. Prices on durum wheat during the 1956-57 crop year have been maintained on a very high price level compared with other wheats. In spite of the very high durum prices, durum used by the macaroni trade has shown a sharp and steady increase. The grind figures clearly indicate that there is a ready demand for 25 million bushels minimum of durum to satisfy the domestic grind only. Add to the 25 million durum grind the amount of durum used for seed requirements, feed, cereal manufacturing, and other uses, plus a reasonable carryover as a cushion against crop failure, and the total figures are convincing proof that the big danger for 1956-57 is for an acute durum shortage rather than the fear of a surplus.

5. If conditions in the United States were such that we were confronted with starvation, naturally any type of food would be welcome. Under such conditions macaroni or spaghetti made from any type of wheat would be consumed. We are, however, in an economy when the consumer has a wide choice of foods. The large consuming areas for macaroni products are discriminating in their tastes, and they are entitled to a macaroni and spaghetti product which is recognized as being of superior quality. The macaroni and spaghetti industries are able to present ample evidence that to maintain consumption of macaroni products, it is necessary to have a top-quality product, and superior quality can only be produced from durum wheat. For the long-range interest of the durum farmer, a normal supply of durum wheat at competitive prices is needed.

We respectfully urge that you support Senator Young's bill. In our opinion it is a foregone conclusion that without an incentive, durum production in 1957 will be very short and the macaroni and spaghetti industries will be seriously hurt.

Yours truly,

H. E. KUEHN, *Executive Vice President.*

Mr. ANDERSON. And Mr. Glewwe from the Farmers Union will substantiate our position that we require this.

Mr. ALBERT. Mr. Glewwe, will you state your name in full and official position?

Mr. GLEWWE. Yes, sir; and I will endeavor to be very brief.

Mr. ALBERT. Are you speaking for the National Farmers Union also?

Mr. GLEWWE. For the Farmers Union Grain Terminal Association.

STATEMENT OF HERBERT J. GLEWWE, FARMERS UNION GRAIN TERMINAL ASSOCIATION

Mr. GLEWWE. My name is Herbert J. Glewwe. I am employed by the Farmers Grain Terminal Association in the capacity of wheat and durum marketing.

First, I must say that the Farmers Union Grain Terminal Association handles for producers in North Dakota and Montana 30 to 35 percent of their durum that is marketed cooperatively through this organization, and we represent them in this matter.

Durum, itself, is a terrifically high-risk crop, and I do not feel personally that it should be considered in the overall picture of wheat at all. It is a specialty product, it is a raw material necessary for an industry that is endeavoring to grow and if we do have a shortage of it the person or department, whoever is responsible for that shortage, is curtailing an industry that could grow if they had this highly specialized raw material.

Now the attitude of the producers I do not think was fully brought out here in the early part of the testimony.

The producer will only be permitted to use his allotted acreage and then must decide what portion of that allotted acreage he will plant durum on, if he will plant durum at all, considering its risk. In the record last year, the allocated acres planted, were 864,000 with a 2-bushel incentive. For each acre he took out of his allotted acres, he was permitted to plant 2 bushels extra. That would give him 3 bushels.

Mr. KRUEGER, Acres instead of bushels.

Mr. GLEWWE. Yes, acres.

And the allotted acres planted were 864,000. If this year they decided to use the same portion of their allotted acreage without this bill, with an average crop—and that average of 15 bushels to an acre is a hazard. We have been very fortunate the last 2 years to have good production in durum. But, personally, I feel durum is not a crop until it is finally in the bin. Many things can happen to it even up to the point of harvest. But, at 15 bushels to an acre we produce 13,500,000 bushels, and the industry indicates they can use from 20 million to 25 million.

With the one bushel incentive—with the one acre incentive—I am a bushel man you can tell.

With the 1-acre incentive we would possibly double that and have about 1,725,000 acres. At the 15 bushel average that would produce a crop of about 25 million which the industry indicates they could use.

Now our mill grind this year, compared to last January—I just received the figures by phone last night—we have a mill at Rush City, Minn., that grinds durum wheat in the semolina for the industry. In 1956, 55 percent of that grind was durum, and the balance was wheat of other classes. This year in January 1957, it was 95 percent durum, showing the tendency of the industry to use more of the 100 percent product in their gradual process of improving their process.

The Department of Agriculture figures—I do not know, I seem to get more figures of different variety around here—but the ones that I have been carrying here with a carryover in 1955 of 5 million bushels, with the 1956 crop running 39,600,000, for a total of 44,600,000 retaining for seed $2\frac{1}{2}$ million to 3 million bushels with the 1957 grind of 25 million and the Department exporting through a subsidy program 10 million would leave a carryover of 6 million to $6\frac{1}{2}$ million at the end of this year.

Now, the question in my mind is as to whether that 5 million was there originally. I think our information on that might be somewhat vague, but even under those conditions, we have been very fortunate in getting 2 years in a row, a good durum crop, and if we do not make some kind of a guaranty to have that raw material there for an industry, I can see where the industry will not progress, and we certainly would not want that in this area.

If we get this 1-acre incentive, we have an assurance of carrying a full year's supply in the stockpile. I doubt very much whether we will get that, because I do not think Montana will come through with this acreage, even with the 1-acre incentive. Personally, I feel that Montana will be cut right smack in half. They produced about 18 to 19 million last year.

In the picture, as far as the producers are concerned, the acreage planted to durum does not insure the industry of a top quality durum

product. Let me take this example. Durum is a very technical product from a color standpoint and from a sound berry standpoint. The industry cannot use durum of an inferior color. There is no assurance that durum planted in Montana next year will carry the same quality that it has in the last year and the year before. I felt that was very unusual because from past history in durum that is raised outside of the North Dakota durum-producing area, in most cases, has an inferior color or quality which would make it a seed proposition from a price standpoint, instead of a quality product that would be used for the durum industry. If we would run into that again this year, we may run into a very short supply of a top quality durum product that would be used by that industry.

The producers are now in the position where they have to decide within the next few weeks what their spring planting intentions are. I feel that we should move one way or the other to give them something sound to figure with. Without any incentive there will be very little durum planted, either in North Dakota or Montana.

That, gentlemen, would cover everything I have to say.

Mr. ALBERT. Thank you for your statement.

Mr. Hill?

Mr. HILL. What did you discover as to the color and quality of the durum wheat in the California area? Have you any information on that?

Mr. GLEWWE. I think that was used mostly for flour. There is not a semolina mill in California and I do not think it is of any consequence. The volume is very small.

Mr. ALBERT. Any further questions?

Without objection, Mr. Green's statement in full will be inserted immediately after his oral testimony.

Mr. ANDERSON. I have 4 young farmers from Montana. I would like to ask 45 to 60 seconds apiece for them.

Mr. Maurice Fladstol?

STATEMENT OF MAURICE FLADSTOL, LEDGER, MONT.

Mr. FLADSTOL. Mr. Chairman and members of the committee, I am a wheat farmer in Pondera County, Mont. I have grown durum wheat for the past 2 years, but in my opinion, the farmers in Montana, would not grow durum wheat this year if there is not an acreage incentive or something to make them want to—without special allotment. We can raise premium spring wheat which is in demand and we get premiums for it. We would not take our acreage from spring wheat and put it to durum unless there is an incentive support.

Mr. ALBERT. Any questions?

Thank you.

And your statement is that you are not going to use your spring wheat allotment on something as uncertain as this is?

Mr. FLADSTOL. That is correct.

Mr. ALBERT. Without incentive.

Mr. ANDERSON. Mr. Gilfeather?

STATEMENT OF GRANT GILFEATHER, GREAT FALLS, MONT.

Mr. GILFEATHER. Mr. Chairman and members of the Committee, I am Grant Gilfeather. I am not a farmer myself but my parents

are and, therefore, I get the direct pressures that come through farming.

My parents operate a farm west of Great Falls, 35 miles, and my parents lost 50 percent of their crop due to wind shatter at harvest time and they have also lost money on the poor grade they have received for the mixture of foreign particles, foreign grains, in their durum.

They feel, as well as I feel, that this legislation, should be passed to give the durum raiser an incentive to raise this durum wheat.

Mr. ALBERT. Thank you for your statement.

Any questions? If not, we will hear the next witness.

Mr. ANDERSON. Mr. Marvin Beck?

STATEMENT OF MARVIN BECK, HOGELAND, MONT.

Mr. BECK. My name is Marvin Beck, Hogeland, Mont. The only reason that we have been raising durum is because we can get a few more acres in production.

Mr. ALBERT. Without this bill you would not plant your regular allotment to durum?

Mr. BECK. No.

Mr. ALBERT. Thank you very much for your statement.

Mr. ANDERSON. Mr. Roy Mark, of Broadus, Mont.

STATEMENT OF ROY MARK, BROADUS, MONT.

Mr. MARK. My name is Roy Mark. Mr. Chairman and members of the committee, I know that I can come here and speak on behalf of many farmers in the southern part of Montana, and I am sure that they feel that what I have to say here is true. Down there, there are no means of irrigation or anything and hail often comes just before harvesttime or early in the season and it cuts their supply of yields of grain down to a very small margin. And they feel that if the farmers cannot get a reasonable rate on it, or acreage allotment, that they will not raise it, and cannot see any headway in it, or otherwise.

Mr. ALBERT. Thank you for that statement.

The committee is pleased indeed to have had these fine young representatives from the State of Montana before us, Congressman.

Mr. ANDERSON. I want to thank the committee for their courtesy in hearing my witnesses and myself.

Mr. ALBERT. The committee has the name of one further witness, Mr. John A. Baker, of the Farmers Union. Are there any other witnesses that intend to testify before Mr. Baker starts? Do we have any other witnesses?

Is anyone present here for the purpose of testifying who has not given his name to the committee clerk?

Mr. JENNINGS. What about the Department, Mr. Chairman? When might we expect a report from them?

Mr. ALBERT. May I inquire, do you know when the Department could be heard on this matter, Mr. Talbott?

Mr. TALBOTT. Yes, sir. As soon as we have the testimony and have an opportunity to read it and study it we will be forthcoming with our report.

Mr. ALBERT. All right. Well, we hope that it will be as soon as possible.

Mr. TALBOTT. As soon as we get the transcript.

Mr. ALBERT. The committee is pleased now to hear Mr. John A. Baker, who is well known to all members of the committee, and who ably represents the National Farmers Union on farm problems of many kinds.

STATEMENT OF JOHN A. BAKER, COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. BAKER. Mr. Chairman and gentlemen of the committee, I appreciate your staying on an extra length of time in your busy day to hear one additional statement.

I am not a durum wheat specialist, but I do like good spaghetti with meat balls. My purpose here is to just pass on to you the thinking of our members from various parts of the durum Wheat Belt, rather than to discuss the various technical aspects of the durum wheat situation, or the spaghetti and macaroni situation.

We, in National Farmers Union, are mighty proud of these Farmers Union witnesses that you have heard and we appreciate your courtesy in hearing them in your committee this morning. These young men that just appeared before your committee are members of some 1,700 such Farmers Union members who will be visiting Washington this January and February as a part of our annual bus trippers project, and we are just real proud of all of them and we very deeply appreciate them taking the time and energy and expense to come down here to talk to their Congressman and people in the Department of Agriculture and Interior and the State Department about the problems of family farmers of America.

I want to also take this occasion, Mr. Chairman, to say that we are also mighty glad, not just for the farmers of eastern Montana, but for our family farmers all over the country, that LeRoy Anderson is a Member of Congress. We are proud of his past record and think that we will be equally proud of his record as a Member.

In response to a previous inquiry, President James G. Patton of National Farmers Union received the following telegram from President Leonard Kenfield of the Montana Farmers Union:

Urge strong support of LeRoy Anderson bill allowing producers to plant 1 acre of durum outside wheat allotment for each acre planted within allotment.

The board of governors of the North Dakota Farmers Union in formal meeting considered the provisions of the pending durum bill and voted to ask that a representative appear before your committee on their behalf in support of the bill.

A very large part of the total durum wheat production of the Nation is raised by Farmers Union members in these two States. These producers and their elected officials have given careful study to the proposed 1957 program as provided in the bill before your committee. It is their considered opinion that the bill should pass and become law.

For that reason, although National Farmers Union has not had opportunity to develop a position on this specific proposal, I urge that you give these recommendations your sympathetic consideration and report out the bill favorably.

As members of the committee know, Farmers Union continues to support its longtime position favoring the establishment of a com-

prehensive food and fiber national policy of managed realistic abundance with workable means extended for farmers' use after the referendums provided to keep market supplies of farm commodities in reasonable balance with market demand adequately augmented by action programs designed to expand domestic and foreign consumption.

May I point out in that connection, Mr. Chairman, that Mr. Anderson's bill provides for a 30-percent cut, what amounts to a durum acreage allotment from last year, from 56 to 57. This would be a cut from 3 down to 2, a 33 $\frac{1}{3}$ -percent cut in what the law provided for last year's crop.

Let me say again, Mr. Chairman, we very deeply appreciate the invitation of your committee to appear and appreciate your taking time to hear our statement. It is always a privilege and inspiration, Mr. Chairman, to work with the House Agriculture Committee and I want to tell folks from out of town here that have become acquainted with you only recently to know you are just this nice all the time.

Thank you very much.

Mr. ALBERT. Thank you, Mr. Baker.

Are there any questions?

Thank you very much.

(The following statement was submitted to the subcommittee by Hon. E. Y. Berry, of South Dakota:)

STATEMENT OF HON. E. Y. BERRY, A REPRESENTATIVE IN CONGRESS FROM THE
SECOND DISTRICT OF SOUTH DAKOTA

Mr. BERRY. Mr. Chairman and members of the House Agriculture Committee, I appreciate this opportunity to testify in support of H. R. 4362, which I introduced to provide an adequate supply of durum wheat to meet the needs of the macaroni-processing industry. My bill is identical to H. R. 2160 introduced by Representative Krueger, of North Dakota, and to H. R. 2126 introduced by Representative Anderson of Montana.

A triangular area in South Dakota, North Dakota, and Montana grows nearly all the durum wheat produced in this country. Durum is a specialty wheat which has qualities required by the macaroni industry in manufacturing their product. The macaroni industry in 1954 was forced to use a mixture of wheats containing as little as 25 percent durum due to severe shortages, but the quality of macaroni suffered, total domestic consumption declined and higher grade foreign macaroni captured a larger part of the American market. Last year was the first time supply met demand.

In these times of agricultural surplus, durum wheat is in short supply and wheatgrowers should be given an incentive to seed more acres of durum so as to provide for market requirements.

These durum bills, along with Senator Young's similar bill in the Senate, provide a 1-for-1 acreage incentive to wheat producers in the Dakotas, Montana, Minnesota, and California. Growers in designated durum-producing areas would be allowed to plant 1 acre of durum outside their wheat allotment for each acre of durum planted within their allotment.

This is a modification of the bill we passed last year providing for a 2-for-1 acreage incentive which resulted in the first normal crop in 5 years, totaling 39,607,000 bushels. In 1953, when the durum shortage was very serious, there were only 13 million bushels produced and the macaroni industry was forced to go to a mixture of bread wheats with durum, but quality and consumption suffered. In 1954 durum plantings were low and, combined with a crop failure caused by 15-B rust, the national production was only 5 million bushels. It was in 1955 that the first 2-for-1 durum bill was passed by Congress. A similar provision was passed again in 1956. Experts in the farm organizations and the grain trade now believe that a 1-for-1 plan will provide sufficient incentive to keep up production.

The damage by rust to durum is one of the principal reasons why an additional acreage incentive is needed. Durum is a risky crop. The grower is going to plant the hardiest possible wheat variety unless he has an incentive.

In addition, the hard spring wheats which are grown in the area will usually yield 10 to 15 percent more than durum. Here again the prospective durum producers must have an additional acreage incentive or he will plant the hard spring wheat.

Without this incentive program, many farmers will go out of durum production and will plant other crops that are in surplus. Surveys in the area verify this fact. We have a good market for durum in the United States and a good farm program will provide adequate supplies.

There would not be a danger of durum surplus with the passage of this bill for the annual carryover should be about 15 million bushels. The carryover this year will be approximately 9 million bushels. In addition, there will be a one-third cutback in production even if all the participants in the 2-for-1 program last year stay in the program at 1-for-1 this year.

I hope this committee and Congress will take early and favorable action on this important legislation.

Thank you.

Mr. ALBERT. Are there any further witnesses? If not, the Chair suggests that we adjourn to meet at the call of the Chair, which I hope will be some time next week.

Without objection, the committee stands adjourned.

(Whereupon, at 11:35 a. m. the committee adjourned.)

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85TH CONGRESS
1ST SESSION

S. 323

IN THE SENATE OF THE UNITED STATES

JANUARY 7 (legislative day, JANUARY 3), 1957

Mr. YOUNG (for himself, Mr. LANGER, Mr. THYE, Mr. MUNDT, Mr. CASE of South Dakota, Mr. MURRAY, Mr. HUMPHREY, Mr. MANSFIELD, and Mr. KNOWLAND) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 (e) of the Agricultural Adjustment Act
4 of 1938, as amended (7 U. S. C. 1334), is amended to read
5 as follows:

6 “(e) Notwithstanding any other provision of this Act,
7 the Secretary shall increase the farm marketing quotas and
8 acreage allotments for the 1957 crop of wheat for farms
9 located in counties in the States of North Dakota, Minnesota,

1 Montana, South Dakota, and California, designated by the
2 Secretary as counties which (1) are capable of producing
3 durum wheat (class II) and (2) have produced such wheat
4 for commercial food products during one or more of the five
5 years 1952 through 1956. The increase in the wheat
6 acreage allotment for any farm shall be conditioned upon
7 the production of durum wheat (class II) on such increased
8 acreage. The increased allotment shall be determined by
9 adding to the allotment established without regard to this
10 subsection (hereinafter referred to as the 'original allotment')
11 an acreage equal to the acreage by which the original allot-
12 ment exceeds the 1957 acreage on the farm of classes of
13 wheat other than durum wheat (class II) (hereinafter
14 referred to as 'other wheat'), but such increased allotment
15 shall not exceed the smaller of the cropland on the farm
16 well suited to wheat or the wheat acreage on the farm:
17 *Provided*, That for the purposes of this subsection (1) the
18 original allotment for each farm shall be not less than fifteen
19 acres, and (2) varieties of class II (durum wheat) known
20 as 'Golden Ball' and 'Peliss' shall be regarded as 'other
21 wheat'. Notwithstanding any other provision of this sub-
22 section, no acreage allotment shall be increased under this sub-
23 section for any farm on which the producer knowingly de-
24 votes to the production of other wheat an acreage in excess
25 of the acreage allotment established without regard to this

1 subsection (and particularly without regard to clause (1) of
2 the foregoing proviso).

3 “The increases in wheat acreage allotments authorized
4 by this subsection shall be in addition to the National, State,
5 and county wheat acreage allotments, and the acreage of
6 durum wheat (class II) on such increased allotments shall
7 not be considered in establishing future State, county and
8 farm acreage allotments.

9 “The provisions of paragraph (6) of Public Law 74,
10 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and
11 section 326 (b) of this Act, relating to the reduction of the
12 storage amount of wheat shall apply to the allotment for
13 the farm established without regard to this subsection and
14 not to the increased allotment under this subsection.”

A BILL

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

By Mr. YOUNG, Mr. LANGER, Mr. THYE, Mr. MUNDT, Mr. CASE of South Dakota, Mr. MURRAY, Mr. HUMPHREY, Mr. MANSFIELD, and Mr. KNOWLAND

JANUARY 7 (legislative day, JANUARY 3), 1957
Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

H. R. 2126

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1957

Mr. ANDERSON of Montana introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 (e) of the Agricultural Adjustment Act of
4 1938, as amended (7 U. S. C. 1334), is amended to read
5 as follows:

6 “(e) Notwithstanding any other provision of this Act,
7 the Secretary shall increase the farm marketing quotas and
8 acreage allotments for the 1957 crop of wheat for farms
9 located in counties in the States of North Dakota, Minnesota,
10 Montana, South Dakota, and California, designated by the
11 Secretary as counties which (1) are capable of producing

1 durum wheat (class II) and (2) have produced such wheat
2 for commercial food products during one or more of the six
3 years 1951 through 1956. The increase in the wheat
4 acreage allotment for any farm shall be conditioned upon
5 the production of durum wheat (class II) on such increased
6 acreage. The increased allotment shall be determined by
7 adding to the allotment established without regard to this
8 subsection (hereinafter referred to as the 'original allotment')
9 an acreage equal to the acreage by which the original allot-
10 ment exceeds the 1957 acreage on the farm of classes of wheat
11 other than durum wheat (class II) (hereinafter referred to
12 as 'other wheat'), but such increased allotment shall not
13 exceed the smaller of the cropland on the farm well suited to
14 wheat or the wheat acreage on the farm: *Provided*, That for
15 the purposes of this subsection (1) the original allotment
16 for each farm shall be not less than fifteen acres, and (2)
17 varieties of class II (durum wheat) known as 'Golden Ball'
18 and 'Peliss' shall be regarded as 'other wheat'. Notwith-
19 standing any other provision of this subsection, no acreage
20 allotment shall be increased under this subsection for any
21 farm on which the producer knowingly devotes to the pro-
22 duction of other wheat an acreage in excess of the acreage
23 allotment established without regard to this subsection (and
24 particularly without regard to clause (1) of the foregoing
25 proviso).

1 “The increases in wheat acreage allotments authorized
2 by this subsection shall be in addition to the National, State,
3 and county wheat acreage allotments, and the acreage of
4 durum wheat (class II) on such increased allotments shall
5 not be considered in establishing future State, county and
6 farm acreage allotments.

7 “The provisions of paragraph (6) of Public Law 74,
8 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and
9 section 326 (b) of this Act, relating to the reduction of the
10 storage amount of wheat shall apply to the allotment for the
11 farm established without regard to this subsection and not
12 to the increased allotment under this subsection.”

A BILL

To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. ANDERSON of Montana

JANUARY 7, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 21, 1957
For actions of February 20, 1957
85th-1st, No. 28

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HIGHLIGHTS: Senate committee and House subcommittee ordered reported durum wheat allotment bills. House passed Treasury-Post Office appropriation bill. Sen. Curtis discussed bill to repeal State apportionment of certain REA loan funds. Sen. Ellender introduced bill to extend Public Law 480. Sen. Thye inserted Under-Secretary Morse's Minn. speech.

SENATE

1. CIVIL DEFENSE. Received a report from the Federal Civil Defense Administration on the Federal contributions program for the quarter ending Dec. 30, 1956. p. 2015

2. SOIL CONSERVATION. Both Houses received from the Department of the Interior a report of the soil survey of the lands in the Juniper Division, Wapinitia Project, Oregon. pp. 2015, 2081

3. ELECTRIFICATION. Received a resolution of the city council of Niagara Falls, N. Y., on the construction of power development facilities on the Niagara River. p. 2015

Sen. Neuberger commended Sen. Kuchel for opposing the proposed partnership program on the Trinity River (Calif.), and urged him to join in the fight for Hells Canyon Dam. Sen. Morse agreed, asserted that Interior Secretary Seaton "is beginning to give evidence that he is for a giveaway program as much as was his predecessor," and inserted a speech he gave before the Commonwealth Club of Calif., on water conservation and utilization. pp. 2027-9

Sen. Kuchel announced that he could not support the recommendations of the Secretary of the Interior that private power should be allowed to develop the electrification possibilities of the Trinity River project, on the grounds that it would emasculate the public preference law, lead to competitive priorities for the use of water, and destroy the integrated purpose of the Calif. Valley Project. pp. 2039-40

4. FLOOD CONTROL. Sen. Revercomb inserted a resolution of the W. Va. Senate to him urging flood control measures in the valley of the Tug Fork of the Big Sandy River, and his letter in reply. p. 2016
 5. INSECT CONTROL. Sen. Mansfield inserted a memorial of the Mont. Legislature urging revisions in the Federal-State cooperative program to control grasshoppers. pp. 2016-17
 6. LANDS. The Interior and Insular Affairs Committee ^{without amendment} reported H.R. 348, relating to the use of public land in constructing capitol buildings in five Northwestern States (Senate Report No. 93). p. 2017
 7. WHEAT. The Agriculture and Forestry Committee ordered reported with amendments, S. 323, to continue the increased allotments for durum wheat. One amendment would limit additional acreage to 100 acres per farm. p. D111
- HOUSE
8. WHEAT. The Wheat Subcommittee of the Agriculture Committee ordered reported with amendment to the full Committee H.R. 2160, to continue the increased allotments for durum wheat. p. D113
 9. APPROPRIATIONS. Passed with amendment H.R. 4897, the Treasury-Post Office Departments appropriation bill for 1958. (pp. 2047-62). The provision to include amounts contributed by the Post Office Department to the civil service retirement fund as costs for purpose of establishing postal rates was stricken on a point of order raised by Rep. Gross. (p. 2059).
 10. INVESTIGATIONS. The Rules Committee reported H. Res. 149, authorizing investigations by the Merchant Marine and Fisheries Committee into certain matters within its jurisdiction, including fisheries and wildlife. p. 2062
 11. HOUSING. Passed without amendment H. J. Res. 209, to provide interim assistance, through the Federal National Mortgage Assoc., in relieving the shortage of funds for home loans pending further investigation of housing credit conditions. pp. 2062, 2068-75
 12. LOANS. Rep. Patman inserted a recent address he made, and several letters he had received, discussing the effects of the 'tight money' situation on the national economy, including farmers, small business, and housing. pp. 2063-68
 13. EDUCATION. Rep. Natcher paid tribute to the Future Farmers of America, and its importance to the future of agriculture. pp. 2080-81
 14. FOREIGN TRADE. Both Houses received from the Comptroller General a report on the audit of the Export-Import Bank of Washington for the 1956 fiscal year (H. Doc. 97). p. 2082
 15. MARKETING COSTS. Received a S. Dak. Legislature memorial urging a joint congressional committee to investigate the cost of living and marketing margins as it pertains to agricultural commodities. p. 2083

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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85th-1st, No. 31

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HIGHLIGHTS: Senate committee reported durum wheat allotment bill. Sens. Humphrey and Symington introduced and Sen. Humphrey discussed corn bill. Rep. Keating introduced and discussed bill to protect certain employees against assault and homicide. Sens. Watkins and O'Mahoney and Reps. Celler and Dixon introduced and Sen. Watkins and Rep. Dixon discussed bills to transfer regulation of meatpackers from USDA to FTC. Rep. Metcalf criticized Secretary's statement on farm income.

SENATE

1. WHEAT. The Agriculture and Forestry Committee reported with amendments S. 323, to increase acreage allotments for durum wheat (S. Rept. 97). p. 2205
Sen. Carlson discussed the proposal to change the wheat grading and parity price systems, and inserted two resolutions of the Smith County (Kan.) Farmer's Union, favoring full parity prices and opposing the changes in the wheat grading standards. pp. 2204-5
2. CONGRESSIONAL CORRESPONDENCE. Sen. Johnson deplored the leaking of information about letters to Congress from the departments, before the letters were received. pp. 2195-6
3. MIDDLE EAST. Continued the debate on S. J. Res. 19, to promote peace and stability in the Middle East. pp. 2195-2200, 2216, 2218, 2223-49.
4. WATER CONSERVATION. Both Houses received a joint resolution of the Montana Legislature urging settlement of the Crow Indian claims to allow immediate construction of Yellowtail dam on the Big Horn River. pp. 2201, 2257

5. FORESTS. Both Houses received a resolution of the Montana House urging legislation to allow a signboard to attract tourists to Frontier Town to be erected in the Helena National Forest. pp. 2201, 2263

Both Houses received a joint resolution of the Alaska Legislature urging that no relaxation be allowed in the laws and regulations prohibiting the export of logs from the National Forests from Alaska, to encourage the territorial manufacture of timber products. pp. 2203, 2263

6. ELECTRIFICATION. Received a joint resolution from the Alaska Legislature urging a study of electric power developments towards the construction by the United States of power projects. p. 2202

7. SMALL BUSINESS. Sen. Carlson stated there was an imperative need to provide part-time work for farmers in depressed areas through defense subcontracts and otherwise, and inserted a resolution of the Hays (Kan.) Chamber of Commerce urging such assistance for drought-stricken areas.

8. TAXATION. Sen. Wiley inserted additional replies to S. 769, his proposed bill to establish a Federal Tax Commission. pp. 2220-2

9. ORGANIZATION AND MANAGEMENT. Sen. Wiley urged that the Federal Government dispose of much of its landholdings and inserted an editorial approving his stand on this and other Hoover Commission recommendations. p. 2222

HOUSE

10. FORESTRY. Rep. Green inserted a newspaper editorial in support of her bills to extend the date for termination of Federal supervision over the Klamath Indian reservation. pp. 2259-60

11. PERSONNEL; LABOR STANDARDS. Rep. Roosevelt inserted his and Sen. McNamara's joint statement in support of legislation to shorten the industrial workweek from 40 to 35 hours. p. 2260

12. MONETARY POLICY. Rep. Patman spoke in favor of a comprehensive study of our monetary policy, and inserted his statement and a newspaper article in support of such a study. pp. 2260-61

13. WHEAT. Received Mont. Legislature memorials relative to wheat acreages and the Federal farm program and urging legislation for continuation of increased acreage allotments for durum wheat. p. 2263

14. ORGANIZATION AND MANAGEMENT. Received an Ind. Lions Club petition urging consideration of their resolution for implementation of the second Hoover Commission recommendations. p. 2263

15. CORN; FEED GRAINS. As reported (see Digest 29), H.R. 4901 provides as follows: Establishes a 1957 acreage allotment for corn in the commercial area of 43,200,000 acres (5,911,000 above the 1957 allotment previously announced). Directs the Secretary to carry out an acreage reserve program for 1957 for acreage diverted from the production of basic commodities, including corn (the purpose being to take out of production of feed grains land formerly planted to basics which has been diverted to feed grains). Sets up an acreage reserve program for feed grains designed primarily for areas where basic crops are not produced and which are, therefore, not eligible to participate in either the regular acreage reserve program or the program for diverted acres.

DURUM WHEAT ALLOTMENTS

FEBRUARY 25, 1957.—Ordered to be printed

Mr. YOUNG, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 323]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, having considered the same, report thereon with a recommendation that it do pass with amendments.

GENERAL

This bill would, on a greatly reduced basis, extend to the 1957 crop the increased durum wheat acreage allotment provisions of section 334 (e) of the Agricultural Adjustment Act of 1938. The bill, with the committee amendments, modifies section 334 (e) in the following respects:

- (1) It extends it to the 1957 crop.
- (2) It provides for increasing allotments by only 1 acre of durum (instead of 2) for each acre of the original allotment devoted to durum. (Thus the bill provides for a one-third reduction in allotment below 1956 for farmers planting the full amount authorized by section 334 (e).)
- (3) It limits the increase for any farm to 100 acres.
- (4) It limits the extent to which farmers receiving increased allotments may participate in the wheat acreage reserve. No part of the increase, or of that part of the original allotment on which the increase is based, would be permitted to be put in the acreage reserve.

HISTORY OF CRITICAL DURUM SITUATION

In January 1954 Congress enacted section 334 (e) to provide increased allotments in 1954 and 1955 for durum wheat, which was then in critically short supply. This legislation proved insufficient and

early in 1955 Congress passed Public Law 8, 84th Congress, to increase allotments further. The Department of Agriculture, after discussing the urgency of the need for legislation in its report of January 20, 1955, on S. 145 (S. Rept. 9, 84th Cong.), described the situation as follows:

Durum wheat, class II, has a usage substantially different from that for any other class of wheat because it is the source of semolina from which satisfactory quality macaroni products are manufactured. It is a spring wheat and is grown in the States of North Dakota, South Dakota, Montana, and Minnesota. The supply situation with respect to durum wheat is critical, due to damage from stem rust "race 15b." In 1952 the production of durum wheat totaled 22 million bushels, which was only 60 percent of the 10-year 1942-51 average production of 37.4 million bushels. In 1953 the crop was 13.9 million bushels and the estimate for the 1954 crop is only 5.5 million bushels. The normal requirement for domestic use, exports, and carryover is about 35 million bushels per year.

These three successive crop failures have endangered the entire durum wheat industry both on the production and milling sides. The macaroni industry members report it is faced with a shrinking market due almost entirely to the production of an inferior product resulting from the use of classes of wheat not well suited for such products.

An effort was made by the Congress in 1953 to relieve the situation by enacting section 4 of Public Law 290 (68 Stat. 4). Under this statute the 1954 acreage allotments and marketing quotas for wheat producers who had grown durum wheat during 1 or more of the preceding 3 years were increased to permit the growing of increased acreages of durum wheat, class II. Our investigation indicates that the program, under these provisions, has not and will not be effective because (1) the seeding of other spring wheat is limited to the pro rata share of the regular wheat allotment attributable to such spring wheat as a condition of qualifying for the additional allotment for durum wheat, and (2) eligibility for the additional allotment to produce durum is dependent upon the producers having grown durum wheat, class II, in 1 or more of the preceding 3 years. Producers feel that the growing of durum wheat against the hazards of stem rust "race 15b" is too great to expect them to gamble on seeding a substantial part of their farm wheat acreage allotments to such class of wheat.

Under the proposed bill, farmers would be permitted in areas capable of producing durum wheat, class II, from which acceptable semolina may be produced for the production of satisfactory macaroni products, to grow such class of wheat over and above the regular farm wheat acreage allotments without regard to the class of wheat seeded within the allotments. The acreage permitted to be grown would be limited only by the total acreage of cropland on the farm well suited for the production of wheat. Farmers operating in the areas to be selected would be eligible for the increased

allotments for durum wheat production regardless of whether they had previously produced such wheat.

By early 1956, with the aid of durum allotments limited only by the cropland well suited for wheat production, the situation was somewhat improved, and Congress extended section 334 (e) to the 1956 crop, but limited the increase in allotments to 2 additional acres of durum for each acre of the original allotment devoted to durum. With the aid of this legislation, favorable weather conditions which produced yields averaging between a third and a fourth higher than yields during the 5-year period 1948-52, and the planting to durum of acreage on which winter wheat had been winterkilled in Montana, it is estimated that the 1956 crop will exceed consumption and exports by about 10 percent. Contributing further to this balancing of supply and demand for 1956 is the fact that macaroni manufacturers, during the period of shortage, had switched to a blend of farina and semolina. Because they had already contracted for other wheats, and because the abundant supply of the 1956 crop was not available during the first 3 months of the marketing year, macaroni manufacturers have used less semolina flour this year than would have otherwise been the case. This is also true of the breakfast food industry. Macaroni manufacturers testified that they intend to return to the use of 100 percent semolina.

In view of the fact that the balance of supply and demand in 1956 was dependent upon so many factors, which cannot be counted upon in 1957, your committee recommends that incentives for durum production should be extended to the 1957 crop; although it may now be safe to reduce those incentives by 50 percent. Two million, five hundred fifty-eight thousand acres were planted to the 1956 crop of durum wheat. The Department advises that no figures are available as to what part of this acreage represents additional acreage provided for by section 334 (e), but since for any farm 2 out of 3 acres could represent additional acres, termination of section 334 (e) could result in a substantial reduction in acreage. Furthermore, witnesses before the committee testified that farmers do not intend to plant any part of their allotments to durum unless some incentive is provided, in view of the difficulties they have had with it in recent years and the high yields which can be obtained from certain other wheats. Last year, when Montana winter wheat was subject to winterkill, durum acreage increased from 271,000 acres in 1955 to 978,000 acres in 1956. Montana, it appears, will have a good winter wheat crop this year, and it is likely that many Montana farmers who grew durum last year will not do so this year.

The Department of Agriculture reported that it does not favor enactment of S. 323, principally because (1) rust resistant strains of durum are now in adequate supply, (2) the 1956 crop exceeded domestic consumption and exports, and (3) the industry has already lost a part of its market since macaroni producers have developed satisfactory blends of semolina and farina. Your committee does not agree with the Department's views. The macaroni manufacturers have testified that they want and intend to return to pure semolina, since it will make the best product and is demanded by con-

sumers. Since the beginning of the shortage of semolina a part of their market has been taken over by imports which have increased from 689,000 pounds in 1949 to 5,262,574 pounds in 1955. Your committee feels that until the macaroni industry, the semolina millers, and the durum producers are assured of an adequate supply and given a fair chance to regain their lost markets, Congress should not reduce durum allotments more than is provided by the bill.

DURUM WHEAT ALLOTMENTS

[In millions]

	1948-49	1949-50	1950-51	1951-52	1952-53	1948-52 5-year average	1953-54	1954-55	1955-56	1956-57 indi- cated	1957-58 esti- mated
Supplies:											
Beginning stocks (grain only, July 1).....	9,475	16,593	22,961	22,207	14,413	17,130	6,637	4,755	3,040	8,500	12,500
Production (all States).....	42,163	36,343	35,671	34,072	22,404	34,131	13,605	5,148	19,591	39,875	30,000
Imports (grain plus products).....	15	18	238	441	210	184	72	142	175	175	175
Total.....	51,653	52,954	58,870	56,720	37,027	51,445	20,314	10,045	22,806	48,550	42,675
Balance item.....								1,000			
Adjusted total.....								11,045			
Utilization:											
Food ¹	22,500	22,750	24,000	25,750	24,400	23,880	12,750	5,935	10,000	19,000	21,200
Feed and loss ²	4,133	1,960	600	400	215	1,462	512	45	300	425	400
Seed.....	4,844	3,758	3,363	3,059	2,852	3,587	2,122	1,860	3,200	3,200	3,200
Domestic disappearance.....	31,477	28,468	27,993	29,239	27,467	28,929	15,384	7,890	13,850	22,625	24,800
Exports:											
Grain.....	2,537	1,125	8,349	12,787	2,644	5,489	41	0	239	13,000	9,000
Semolina and flour.....	81	131	116	153	129	122	31	377	3141	225	175
Macaroni and products.....	965	269	205	128	150	343	383	376	376	200	200
Total exports.....	3,583	1,525	8,670	13,068	2,923	5,954	175	115	456	13,425	9,375
Total disappearance.....	35,060	29,993	36,663	42,307	30,390	34,883	15,559	8,005	14,306	36,050	34,175
Ending stocks (grain only, June 30).....	16,593	22,961	22,207	14,413	6,637	16,562	4,755	3,040	8,500	12,500	8,500
Amounts ground for Semolina and flour.....	21,684	21,630	23,337	25,533	23,668	23,170	11,915	5,861	8,476	4 (18,000)	(20,000)
Acreage, yield, and production in 3 States (North Dakota, South Dakota, and Minnesota): ³											
Acreage planted, thousands.....	3,016	3,466	2,743	2,483	2,258	2,793	2,061	1,637	1,385	2,558	2,300
Acreage harvested, thousands.....	2,962	3,284	2,659	2,417	2,109	2,686	1,828	1,309	1,348	2,386	2,200
Yield per planted acre, bushels.....	13.8	10.4	12.8	13.4	9.7	12.0	6.2	3.0	14.1	15.6	13.0
Production, thousand bushels.....	41,531	35,946	34,979	33,372	21,818	33,529	12,708	4,982	19,580	39,875	30,000

¹ Total grind less exports of semolina and macaroni products, plus estimated use for breakfast cereals.² Residual. Includes possible statistical errors in supply and utilization data as reported.³ Assumes blends averaging 60 percent durum in 1953-54, 30 percent in 1954-55, 60 percent in 1955-56 and 75 percent in 1956-57.⁴ Durum ground during 6 months July-December 1956 only 7 million bushels. Estimate of 18 million bushels for year may be optimistic.⁵ As reported by AMS through 1953. Beginning with 1954 Montana is included; beginning with 1956 unofficial estimates for California also are included.⁶ California production reported unofficially: 7,381 planted acres at 35.4 bushel-acres equals 261,382 bushels, added to AMS estimate for 4 States.

Source: Grain Division, Commodity Stabilization Service, Department of Agriculture, Washington, D. C., Feb. 12, 1957.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 334. * * *

(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the [1956] 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years [1951] 1952 through [1955] 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the "original allotment") an acreage equal to [two times] the acreage by which the original allotment exceeds the [1956] 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as "other wheat"), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as "Golden Ball" and "Peliss" shall be regarded as "other wheat". Notwithstanding any other provision of this subsection, (1) *no acreage allotment shall be increased under this subsection by more than 100 acres, and* (2) *no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).*

The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

(1) the "farm acreage allotment" shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection "wheat acreage on the farm" shall include acreage in the wheat acreage reserve.



85TH CONGRESS
1ST SESSION

S. 323

[Report No. 97]

IN THE SENATE OF THE UNITED STATES

JANUARY 7 (legislative day, JANUARY 3), 1957

Mr. YOUNG (for himself, Mr. LANGER, Mr. THYE, Mr. MUNDT, Mr. CASE of South Dakota, Mr. MURRAY, Mr. HUMPHREY, Mr. MANSFIELD, and Mr. KNOWLAND) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

FEBRUARY 25, 1957

Reported by Mr. YOUNG, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 (e) of the Agricultural Adjustment Act
4 of 1938, as amended (7 U. S. C. 1334), is amended to read
5 as follows:

6 “(e) Notwithstanding any other provision of this Act,
7 the Secretary shall increase the farm marketing quotas and
8 acreage allotments for the 1957 crop of wheat for farms
9 located in counties in the States of North Dakota, Minnesota,

1 Montana, South Dakota, and California, designated by the
2 Secretary as counties which (1) are capable of producing
3 durum wheat (class II) and (2) have produced such wheat
4 for commercial food products during one or more of the five
5 years 1952 through 1956. The increase in the wheat
6 acreage allotment for any farm shall be conditioned upon
7 the production of durum wheat (class II) on such increased
8 acreage. The increased allotment shall be determined by
9 adding to the allotment established without regard to this
10 subsection (hereinafter referred to as the 'original allotment')
11 an acreage equal to the acreage by which the original allot-
12 ment exceeds the 1957 acreage on the farm of classes of
13 wheat other than durum wheat (class II) (hereinafter
14 referred to as 'other wheat'), but such increased allotment
15 shall not exceed the smaller of the cropland on the farm
16 well suited to wheat or the wheat acreage on the farm:
17 *Provided*, That for the purposes of this subsection (1) the
18 original allotment for each farm shall be not less than fifteen
19 acres, and (2) varieties of class II (durum wheat) known
20 as 'Golden Ball' and 'Peliss' shall be regarded as 'other
21 wheat'. Notwithstanding any other provision of this sub-
22 section, (1) no acreage allotment shall be increased under
23 this subsection by more than one hundred acres, and (2) no

1 acreage allotment shall be increased under this subsection
 2 for any farm on which the producer knowingly devotes
 3 to the production of other wheat an acreage in excess
 4 of the acreage allotment established without regard to this
 5 subsection (and particularly without regard to clause (1) of
 6 the foregoing proviso).

7 “The increases in wheat acreage allotments authorized
 8 by this subsection shall be in addition to the National, State,
 9 and county wheat acreage allotments, and the acreage of
 10 durum wheat (class II) on such increased allotments shall
 11 not be considered in establishing future State, county and
 12 farm acreage allotments.

13 “The provisions of paragraph (6) of Public Law 74,
 14 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and
 15 section 326 (b) of this Act, relating to the reduction of the
 16 storage amount of wheat shall apply to the allotment for
 17 the farm established without regard to this subsection and
 18 not to the increased allotment under this ~~subsection.~~ *subsec-*
 19 *tion.*

20 “*For the purpose of applying section 103 (a) (1) of*
 21 *the Soil Bank Act (relating to participation in the acreage*
 22 *reserve) to any farm receiving an increased allotment under*
 23 *this subsection—*

1 “(1) the ‘farm acreage allotment’ shall be the allotment
2 established without regard to this subsection and not the
3 increased allotment under this subsection, and

4 “(2) each acre planted to durum wheat (class II) shall
5 count as one-half acre of wheat.

6 For the purposes of this subsection ‘wheat acreage on the
7 farm’ shall include acreage in the wheat acreage reserve.”

A BILL

To amend section 334 (e) of the Agricultural
Adjustment Act of 1938, as amended, relat-
ing to increased allotments for durum wheat.

By Mr. YOUNG, Mr. LANGER, Mr. THYE, Mr.
MUNDT, Mr. CASE of South Dakota, Mr.
MURRAY, Mr. HUMPHREY, Mr. MANSFIELD,
and Mr. KNOWLAND

JANUARY 7 (legislative day, JANUARY 3), 1957
Read twice and referred to the Committee on
Agriculture and Forestry

FEBRUARY 25, 1957
Reported with amendments

tion does not supply any money. All it does is to direct the Commission to do something it could do under existing law.

It strikes me that the Federal Trade Commission should come before us, if it needs funds, if this investigation is necessary, and make a showing for whatever money it requires. There is no necessity for the study to come through the back door, so to speak.

I ask that the concurrent resolution be passed over.

The PRESIDING OFFICER. Objection is heard.

Mr. POTTER. Mr. President, will the Senator withhold his objection for a moment?

Mr. ELLENDER. Certainly.

Mr. POTTER. In response to the statement by the Senator from Louisiana I should like to say that the Committee on Interstate and Foreign Commerce held hearings on the so-called newsprint problems. As the result of the hearings which were held, it was determined that a thorough study should be made by the Federal Trade Commission.

I thoroughly agree with the distinguished Senator from Louisiana that the Federal Trade Commission has the authority to carry on such a study. However, it was felt that it would be well for the Federal Trade Commission to have an expression of the Congress by concurrent resolution, to aid it in going into this economic and legal investigation.

What has prompted the Senate Committee on Interstate and Foreign Commerce to act is this: We have known for some time that there has been a newsprint problem in the United States. Production and supply have been about on a par. About 70 percent of our newsprint comes from Canada.

We also know that in the future there will be a great need for further newsprint production. As a matter of fact, the evidence before our committee indicated that there is great likelihood of new newsprint facilities being located in some of our Southern States. The timber there is suitable, and the power is available for greater activity in the newsprint production field.

The purpose of the proposed study by the Federal Trade Commission is, first, to find out whether there is a conspiracy to fix prices. It seems unusual, for example, to find an increase of \$4 a ton by one of the major companies, and immediately to find one after another newsprint production company increasing its price by \$4 a ton. Certainly we know that \$4 is not a magical figure. Every company did not base its increase in price on increased production costs. It does not work that way. Increased production costs would not result in a round figure of \$4 for every company.

What the Commission can do, which we do not have the time in the Senate to do, is to make an economic and legal study to find out whether there is a price fixing conspiracy in the newsprint production field.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. ELLENDER. Is it not a fact that when the Interstate and Foreign Commerce Committee asked for funds to carry on this investigation, a showing was made that it was necessary in order to ascertain the reason for a number of increases in the cost of newsprint? Now we find it necessary, to not only look into the issue of a possible short supply, but into the question of whether or not there is a newsprint monopoly.

It strikes me that the reason for establishing the Federal Trade Commission was to have an organization charged with the duty of doing the very thing the Senator is seeking to have it do by means of a concurrent resolution. Am I not correct?

Mr. POTTER. That is correct.

Mr. ELLENDER. The Commission would use this resolution as a basis for coming to Congress to ask for more money. That would be the result, as the Senator knows. Why not let the Commission come to Congress in the regular way? If the Commission thinks it is necessary that an investigation be made, let it say so, and make its showing before the Congress for whatever money it may need to do the work.

Mr. POTTER. The only thing we are proposing to do is to say to the Federal Trade Commission, "We think this study should and must be made." If we leave it to the discretion of the Federal Trade Commission, it will take the easy way out, and it may never make the study. We were proposing to tell the Commission, "This subject is within your jurisdiction. You do the job."

Mr. ELLENDER. In this resolution we are simply suggesting that the Commission do it. A letter from the chairman of the committee would serve the purpose just as well. As for the Commission taking the easy way out, I refuse to believe that if the Commission feels that a study of a possible newsprint monopoly, or restraint of trade in the newsprint industry is necessary, it would decline to undertake such an investigation. All I am saying is that if there is to be a Trade Commission study, it should come about in a proper manner—not through the back door.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. BARRETT. Over, by request.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

That completes the call of the calendar.

INCREASED ALLOTMENTS FOR DURUM WHEAT

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 95, Senate bill 323.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CARROLL in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, this bill, to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, was introduced by the Senator from North Dakota [Mr. YOUNG]. It was also sponsored by the senior Senator from North Dakota [Mr. LANGER], both Senators from South Dakota [Mr. MUNDT and Mr. CASE], both Senators from Minnesota [Mr. THYE and Mr. HUMPHREY], both Senators from Montana [Mr. MURRAY and Mr. MANSFIELD], and the distinguished minority leader, the Senator from California [Mr. KNOWLAND].

We think time is of the essence in connection with this particular measure, and we hope most sincerely that the Senate will unanimously pass the bill.

Mr. YOUNG rose.

Mr. MANSFIELD. I now yield to the Senator from North Dakota, the author of the bill, and the leader in the sponsorship of this particular measure.

Mr. YOUNG. Mr. President, I should like to make a brief explanation of the bill. It affects only durum wheat. Durum wheat is a special wheat, used almost exclusively in the making of spaghetti, macaroni, and puffed wheat. It had been produced in only a few States. Up until the past 2 or 3 years, 85 percent of it was produced in my own State of North Dakota.

Now there is considerable production in Montana, and a little in California. Because of a bad disease, known as 15-B rust, production had decreased to 5 million bushels, or only a small proportion of the wheat that was needed 3 years ago. Since then we have been passing incentive legislation year after year to encourage more production. The pending bill is badly needed to secure the necessary production to meet our minimum needs this year.

The bill has the support of the Farm Bureau of North Dakota, the American Farm Bureau Federation, the Farmers Union, the Farmers' Union Grain Terminal Association, the National Association of Grain Co-ops, the Minneapolis Grain Trade, the milling industry, and the Macaroni Manufacturers' Association. It was reported unanimously by the Committee on Agriculture and Forestry. Mr. President, I ask unanimous consent to have printed in the RECORD as

a part of my remarks the first four pages of the committee report.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, having considered the same, report thereon with a recommendation that it do pass with amendments.

GENERAL

This bill would, on a greatly reduced basis, extend to the 1957 crop the increased durum-wheat acreage-allotment provisions of section 334 (e) of the Agricultural Adjustment Act of 1938. The bill, with the committee amendments, modifies section 334 (e) in the following respects:

- (1) It extends it to the 1957 crop.
- (2) It provides for increasing allotments by only 1 acre of durum (instead of 2) for each acre of the original allotment devoted to durum. (Thus, the bill provides for a one-third reduction in allotment below 1956 for farmers planting the full amount authorized by section 334 (e).)
- (3) It limits the increase for any farm to 100 acres.
- (4) It limits the extent to which farmers receiving increased allotments may participate in the wheat-acreage reserve. No part of the increase, or of that part of the original allotment on which the increase is based, would be permitted to be put in the acreage reserve.

HISTORY OF CRITICAL DURUM SITUATION

In January 1954 Congress enacted section 334 (e) to provide increased allotments in 1954 and 1955 for durum wheat, which was then in critically short supply. This legislation proved insufficient, and early in 1955 Congress passed Public Law 8, 84th Congress, to increase allotments further. The Department of Agriculture, after discussing the urgency of the need for legislation in its report of January 20, 1955, on S. 145 (S. Rept. 9, 84th Cong.), described the situation as follows:

"Durum wheat, class II, has a usage substantially different from that for any other class of wheat because it is the source of semolina from which satisfactory quality macaroni products are manufactured. It is a spring wheat and is grown in the States of North Dakota, South Dakota, Montana, and Minnesota. The supply situation with respect to durum wheat is critical, due to damage from stem rust 'race 15b.' In 1952 the production of durum wheat totaled 22 million bushels, which was only 60 percent of the 10-year 1942-51 average production of 37.4 million bushels. In 1953 the crop was 13.9 million bushels, and the estimate for the 1954 crop is only 5.5 million bushels. The normal requirement for domestic use, exports, and carryover is about 35 million bushels per year.

"These three successive crop failures have endangered the entire durum-wheat industry, both on the production and milling sides. The macaroni-industry members report it is faced with a shrinking market, due almost entirely to the production of an inferior product resulting from the use of classes of wheat not well suited for such products.

"An effort was made by the Congress in 1953 to relieve the situation by enacting section 4 of Public Law 290 (68 Stat. 4). Under this statute, the 1954 acreage allotments and marketing quotas for wheat producers who had grown durum wheat during 1 or more of the preceding 3 years were increased to permit the growing of increased acreages of durum wheat, class II. Our investigation indicates that the program, under these provisions, has not and will not be effective be-

cause (1) the seeding of other spring wheat is limited to the pro rata share of the regular wheat allotment attributable to such spring wheat as a condition of qualifying for the additional allotment for durum wheat, and (2) eligibility for the additional allotment to produce durum is dependent upon the producers having grown durum wheat, class II, in 1 or more of the preceding 3 years. Producers feel that the growing of durum wheat against the hazards of stem rust 'race 15b' is too great to expect them to gamble on seeding a substantial part of their farm wheat-acreage allotments to such class of wheat.

"Under the proposed bill, farmers would be permitted in areas capable of producing durum wheat, class II, from which acceptable semolina may be produced for the production of satisfactory macaroni products, to grow such class of wheat over and above the regular farm wheat-acreage allotments without regard to the class of wheat seeded within the allotments. The acreage permitted to be grown would be limited only by the total acreage of cropland on the farm well suited for the production of wheat. Farmers operating in the areas to be selected would be eligible for the increased allotments for durum-wheat production regardless of whether they had previously produced such wheat."

By early 1956, with the aid of durum allotments limited only by the cropland well suited for wheat production, the situation was somewhat improved, and Congress extended section 334 (e) to the 1956 crop, but limited the increase in allotments to 2 additional acres of durum for each acre of the original allotment devoted to durum. With the aid of this legislation, favorable weather conditions which produced yields averaging between a third and a fourth higher than yields during the 5-year period 1948-52, and the planning to durum of acreage on which winter wheat had been winterkilled in Montana, it is estimated that the 1956 crop will exceed consumption and exports by about 10 percent. Contributing further to this balancing of supply and demand for 1956 is the fact that macaroni manufacturers, during the period of shortage, had switched to a blend of farina and semolina. Because they had already contracted for other wheats, and because the abundant supply of the 1956 crop was not available during the first 3 months of the marketing year, macaroni manufacturers have used less semolina flour this year than would have otherwise been the case. This is also true of the breakfast food industry. Macaroni manufacturers testified that they intend to return to the use of 100-percent semolina.

In view of the fact that the balance of supply and demand in 1956 was dependent upon so many factors, which cannot be counted upon in 1957, your committee recommends that incentives for durum production should be extended to the 1957 crop; although it may now be safe to reduce those incentives by 50 percent. Two million five hundred fifty-eight thousand acres were planted to the 1956 crop of durum wheat. The Department advises that no figures are available as to what part of this acreage represents additional acreage provided for by section 334 (e), but since for any farm 2 out of 3 acres could represent additional acres, termination of section 334 (e) could result in a substantial reduction in acreage. Furthermore, witnesses before the committee testified that farmers do not intend to plant any part of their allotments to durum unless some incentive is provided, in view of the difficulties they have had with it in recent years and the high yields which can be obtained from certain other wheats. Last year, when Montana winter wheat was subject to winterkill, durum acreage increased from 271,000 acres in 1955 to 978,000 acres in 1956.

Montana, it appears, will have a good winter-wheat crop this year, and it is likely that many Montana farmers who grew durum last year will not do so this year.

The Department of Agriculture reported that it does not favor enactment of S. 323, principally because (1) rust resistant strains of durum are now in adequate supply, (2) the 1956 crop exceeded domestic consumption and exports, and (3) the industry has already lost a part of its market since macaroni producers have developed satisfactory blends of semolina and farina. Your committee does not agree with the Department's views. The macaroni manufacturers have testified that they want and intend to return to pure semolina, since it will make the best product and is demanded by consumers. Since the beginning of the shortage of semolina a part of their market has been taken over by imports which have increased from 689,000 pounds in 1949 to 5,262,574 pounds in 1955. Your committee feels that until the macaroni industry, the semolina millers, and the durum producers are assured of an adequate supply and given a fair chance to regain their lost markets, Congress should not reduce durum allotments more than is provided by the bill.

Mr. YOUNG. Mr. President, I should like to offer an amendment at this time.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ELLENDER. I should like to say that the Senator's amendment has the unanimous support of the Committee on Agriculture and Forestry. The entire membership agrees that the acreage should be reduced and limited to 60 acres. Is that correct?

Mr. YOUNG. That is correct. I am prepared to offer the amendment now. The bill as at the present drawn provides that no one farmer can gain more than 100 acres over his allotment. I propose, at the bottom of page 2, in line 23, to strike out the words "one hundred" and insert in lieu thereof the word "sixty." In other words, no one farmer will gain more than 60 acres.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. Young] to the committee amendment on page 2, line 23.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The secretary will state the committee amendment, as amended.

The CHIEF CLERK. On page 2, line 22, after the word "section", it is proposed to insert "(1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2)."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The secretary will state the remaining amendments of the Committee on Agriculture and Forestry.

The remaining committee amendments were, on page 3, line 18, after the word "this", to strike out "subsection." and insert "subsection."; and on page 3, after line 19, to insert:

For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any

farm receiving an increased allotment under this subsection—

(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection "wheat acreage on the farm" shall include acreage in the wheat acreage reserve.

The amendments were agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, as I understand, the committee agrees to the amendment to the committee amendment which the Senator from North Dakota offered.

Mr. YOUNG. The Senator is correct.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the 5 years, 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than 15 acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat.' Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this act, relat-

ing to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

"For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve."

Mr. CASE of New Jersey obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. CASE of New Jersey. I yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The chief clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey [Mr. CASE] has the floor.

ECONOMIC DEVELOPMENT OF THE UNDERDEVELOPED AREAS OF THE WORLD

Mr. CASE of New Jersey. Mr. President, I should like to discuss this afternoon a matter vital to the security of the United States—the economic development of the underdeveloped areas of the world. Such a discussion, I believe, is especially timely in the light of two reports which recently have been presented to the President.

On Wednesday of this week the President made public a report of the so-called Fairless Committee dealing with the mutual security program. This morning the President released the report made to him by the International Development Advisory Board of which Eric Johnston was Chairman. The Johnston report deals directly, as the Fairless report does not, with the question which is my concern today.

My concern is with the development of a comprehensive, systematic, and adequate program of economic assistance for underdeveloped nations. From the long-range viewpoint such a program may well be of even greater significance to our security than is the mutual security program.

As the basis for discussion let me state a proposition which I believe few will dispute. I do it in the words of Paul H. Nitze, president of the Foreign Service Education Foundation, used in his recent testimony before the Committee on Foreign Affairs of the House of Representatives:

The relative strength of the U. S. S. R. and of the United States are so nearly balanced that what happens to the intervening states and the positions which they take can be crucial in affecting that balance.

Russia's violent reaction to the Hungarian uprising shows that she understands this very clearly. A successful defection by Hungary would have been so disastrous to the Russian position that she felt obliged to suppress it in the most brutal fashion, even though her brutality cost her dearly in terms of world opinion.

Similarly, the defection to the Soviet side of the European countries or the loss of the Afro-Asian bloc or of the other presently uncommitted peoples would be a shattering blow to us.

Presently outside the Soviet orbit are nations, containing almost half the population of the world, which are relatively underdeveloped, socially and economically. In all these nations there is rising pressure to achieve freedom, both in terms of the absence of external control and also in the positive sense of capacity to decide and act on their own. Rightly, these countries, and especially the individuals in these countries with the capacity for leadership and the ambition to exercise it, look upon economic development as a necessary condition to real nationhood.

Whether we like it or not, these countries will drive for economic development. It is almost impossible to overstate how important it is to our security that that drive should proceed along lines which will enable these countries to retain their independence and not along a course which will lead them into the Communist camp.

It is by no means clear that if we do nothing about it the development of these countries will proceed along independent lines. Indeed, the preponderance of the evidence suggests that the other—and, for us, disastrous—result will follow.

Communism—not its ideology but its totalitarian methods—has a strong attraction to those with leadership capacities in the underdeveloped countries. A number of reasons account for this unfortunate fact.

A prime requirement for economic development is capital. But these countries are desperately poor, and their income is barely sufficient for the subsistence of their people. Without totalitarian controls, it is difficult, if not impossible, to persuade people whose total earnings are barely enough to keep themselves alive to divert a significant part of those earnings from consumption into productive investment. A hungry man is not likely to forgo bread in order to buy lathes. In a Communist totalitarian society the managers can turn the screws on the people and forcibly extract from their meager earnings the capital required for economic expansion.

Economic development means that many of the old habits, customs, and ways of life of a people will be changed. This is unsettling and in many cases unpleasant for great numbers of people. Under a totalitarian regime, the necessary changes can be imposed regardless

of the wishes of the people. It is impossible to disprove that economic reconstruction, in its early stages at least, may well proceed more rapidly in a totalitarian than in a democratic society. The whip is easier to apply than self-discipline.

And it cannot be denied that in the underdeveloped countries the kind of social organization which exists under communism all too often has a powerful fascination for the people of ability, for the managers, for those capable of running the show. As Walter Lippmann has pointed out, the Communists are proposing to this group "a plan of economic reconstruction which promises much quicker results than anything we can propose, and with it all the privileges of supreme personal power for themselves." Empty promise or not, the prospect has an attraction as undeniable as that of the green apple for the youngster on the other side of the fence.

To offset this last attraction there is not much that we can do directly. We can and must do everything possible to establish and maintain sympathetic communication between the Western World and the leadership groups of the underdeveloped countries. The exchange-of-persons programs at all levels can be vitally important here, as can our own direct personal contacts with individuals, especially the educated classes in these countries.

But the black and sinister aspects of Communist totalitarianism were undoubtedly burned into the minds of political and intellectual leaders the world over by Russia's conduct in Hungary. Surely, since the events of last November, the Communist method must seem a good deal less attractive than it did before. I suggest that it is a good bet that the leadership groups in the underdeveloped countries, like many of those in Poland and some of the other satellites, are now somewhat disenchanted with communism. I suspect that many of them are now at least willing to try to bring about the development of their countries in ways which avoid entangling themselves and their countries in the Communist web.

But, with the best will in the world, these countries cannot get economic development underway without investment capital. And the hard fact is that for the immediate present in many countries only totalitarian methods can squeeze that capital out of the earnings of their own people—earnings which are barely sufficient to keep them alive. If their economic development is to proceed along democratic lines, most of the capital, at least at the beginning, must come from the outside. It would seem reckless, indeed, not to seize the opportunity to make it possible for these countries to develop along lines compatible with our own interests. That means we must find a way to help provide the capital without which economic development is impossible.

I am sure that at this point there will be some who will say: "Ah, yes, it is the same old story. He is talking about foreign aid—the giveaway programs, more money down the rathole, and the like."

Of course, we have had foreign-aid programs before. I am the last to suggest that there have not been abuses and in some instances waste and failures. Yet, on the whole, the foreign-aid programs of the past have succeeded in their purposes—the relief of postwar distress, the rebuilding of Western Europe and the military strengthening of friendly nations in Europe and Asia. And we have scattered programs of technical assistance, and a very minor amount of direct assistance to economic development.

It comes as a surprise to many to discover just how minor that amount has been. The Johnston report points this out: Of a total of \$3.8 billion currently appropriated for mutual security, only 10 percent, or \$358 million, is allocated for technical assistance and economic development for all countries with which we do not have security arrangements. Two-thirds of United States nonmilitary aid goes to 6 nations with which we have security arrangements who together have a total population of 170 million. The remaining one-third is spread among other nations representing a total population of 900 million.

But, as Howard C. Peterson, of the Committee for Economic Development, told the House Foreign Affairs Committee last fall, we are now facing something new—the challenge of economic development abroad which is only now rising to major importance and which we have not previously tried to meet on a major scale.

The fact is that we have not had a comprehensive, systematic, or adequate program for assistance to economic development in the underdeveloped world.

I believe it is because we have not yet had such a program that our so-called foreign aid or mutual security programs have had increasingly rough going in Congress in recent years. I am equally confident that if our stake in the economic development of the underdeveloped countries is made clear to the American people, they will not reject an adequate program for assistance in such development and will not shrink from its costs.

Indeed, the country's leading polls have consistently shown overwhelming support among the American people for the aid programs. According to one recent poll, 85 percent of our people favor economic assistance to less developed countries, an even higher percentage than favor military assistance.

A number of studies have been made, and others are still under way, of the problem of the economic development of the underdeveloped countries and of what should be American policy in regard to assisting such development.

At the outset I referred to the recent report of the Fairless committee. That report does not contain a single direct reference, to say nothing of an adequate discussion, of a true development program. I regret this deeply, and I cannot understand it.

(At this point Mr. CASE of New Jersey yielded to Mr. THYE, and a colloquy ensued, which appears at the conclusion of the speech by Mr. CASE of New Jersey.)

Mr. CASE of New Jersey. Mr. President, perhaps the committee felt that the consideration of a true development program was outside its frame of reference. In any case, the committee's emphasis throughout its report is on collective security. This is, of course, an entirely different matter from a comprehensive, systematic, and adequate program to aid the economic development of the underdeveloped countries. Even the conclusion of the Fairless report that United States expenditures need not exceed the 1956 level is specifically directed to expenditures for collective security. I know of no other ground on which to account for the committee's failure to discuss the question of a long-range program for economic development—a proposal widely and intensively studied and regarded as of the highest importance by a large number of thoughtful and responsible persons.

In the circumstances, it is indeed fortunate that the Johnston committee report, which deals directly with this matter, became available this morning. It is fortunate, too, that we can expect the proposal to be fully dealt with in the review now under way by the Senate Committee on Foreign Relations. In addition, the House Committee on Foreign Affairs conducted extensive hearings on the subject last fall, and a number of thoughtful studies have been made by highly competent private organizations.

I have tried to follow the thinking of many of those, both within and without the Government, who have been engaged in these studies. There is, I believe, and extraordinary degree of unanimity in the broad conclusions of most of them on these propositions:

First, that the United States has a vital interest in the economic development of the underdeveloped countries along independent lines.

Second, that a comprehensive program for assisting such development by supplying essential capital and know-how is feasible and has a reasonable prospect of success.

Third, that in its own interest the United States must take a leading role in developing such a program and putting it into effect.

There are differing views among the experts as to the specifics of such a program. But almost everyone is agreed that assistance for economic development under such a program ought not be tied to military alliances. Not that our allies and friends do not deserve particular consideration. Of course they do, and the mutual-security program is built on that relationship. But the goal here is not to seek allies or active affection. We know that true friendship, among nations as among individuals, cannot be bought. Nor do we seek to make over other nations in our image.

Our goal is to make possible the economic development of almost half the world's people—a development which is as inevitable as it is desirable—to take place in ways consistent with our legitimate interests and not under Communist totalitarian auspices. We seek to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of March 8, 1957
85th-1st, No. 41

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HIGHLIGHTS: Senate passed durum wheat allotments bill. Senate subcommittee referred corn bills to full committee for consideration. Sen. Potter introduced and discussed bill to prohibit trading in onion futures. Sen. Ellender introduced drought relief bills. Sen. Humphrey and 10 other Sens. introduced and Sen. Humphrey discussed family-farm credit bill.

SENATE

1. WHEAT. Passed with amendments S. 323, to continue increased allotments for durum wheat (pp. 2985-7). Sen. Young's amendment to the committee amendment, to limit gains to 60 acres (rather than 100 acres) over the allotment, was agreed to (p. 2986).

As passed, the bill provides as follows:

Extends to the 1957 crop the increased durum wheat acreage allotment provisions of section 334 (e) of the Agricultural Adjustment Act of 1938. Provides for increasing allotments by only 1 acre of durum (instead of 2) for each acre of the original allotment devoted to durum. (Thus the bill provides for a one-third reduction in allotment below 1956 for farmers planting the full amount authorized by section 334 (e).) Limits the increase for any farm to 60 acres. Limits the extent to which farmers receiving increased allotments may participate in the wheat acreage reserve. No part of the increase, or of that part of the original allotment on which the increase is based, would be permitted to be put in the acreage reserve.

2. CORN. A subcommittee of the Agriculture and Forestry Committee agreed to refer all legislation dealing with the corn program to the full committee without recommendations. p. D178

3. PERSONNEL. Passed without amendment S. 601, to permit employees separated from Government service before October 1, 1956, to deposit retirement funds without the payment of interest when they reenter Government service. Sen. Johnston noted that the law "was intended that it should apply only to cases that arise in the future," and that this bill would provide for the retroactive interpretation given Public Law 854, 84th Congress. p. 2971
4. FORESTRY. Passed as reported S. 469, to defer the termination of Federal supervision over the Klamath Indians for 18 months, and to authorize the U. S. to defray the costs of preparation for termination, as amended by the Interior and Insular Affairs Committee. pp. 2974-80
5. CROP INSURANCE. Received from the Secretary of Agriculture a report of the FCIC for 1956. p. 2930
6. HOUSING LOANS. Received from the Housing and Home Finance Agency a letter from the Veterans' Administration commenting on the results of the Voluntary Home Mortgage Credit Program. p. 2930
7. POSTAL SERVICE. Received from the Post Office Department proposed bill to readjust postal rates and establish a Congressional policy upon rates; to Post Office and Civil Service Committee. p. 2930
8. LANDS. Received from the S. D. legislature a resolution urging the Corps of Engineers to use the replacement value concept in paying for lands taken for the Missouri River dams. p. 2931
9. AREA DEVELOPMENT. Received from the R. I. General Assembly a resolution urging Congress to provide loans for labor surplus areas, and to follow a policy to give labor surplus areas a fair share of Government procurement contracts. pp. 2931-2
10. TRANSPORTATION. Received from the Ill., Legislature a resolution urging repeal of excise taxes on the transportation of persons and goods. p. 2932
11. BUDGETING. Reorganization subcommittee of Government Operations Committee announced public hearings on S. 434, to provide for improved methods of stating budget estimates, and S. 316, to provide for stating appropriations on an accrued expenditures basis; to implement recommendations of the Second Hoover Commission. p. 2948
Sen. Byrd read a letter to Budget Bureau Director Brundage, in which he asserted "this is a luxury budget, padded with increased spending all down the line," and stated that first responsibility for budget reduction must lie with the executive. Sen. Anderson objected to the reliance on increased national income and a postal rate increase to obtain a balanced budget, and Sen. Johnson urged Sen. Byrd to continue to point out areas of reduction. p. 2960-1
Sen. Bridges criticized rumored increases in Federal personnel and stated that a proposal to increase USDA employees by 5,000 was "needed as much as I need three hands." He and Sen. Williams agreed that the only way Congress can stop expenditures was to stop authorizing new projects. Sen. Chavez stated: "Better results could be obtained in the executive branch if there were a reduction of 10 percent in the number of employees in each of the departments." Sen. Williams inserted a chart showing the number of employees and appropriations for them in each department, 1949-1957, and the planned appropriations for 1958 fiscal year. Sen. Bridges urged the Senate not to restore the House cuts in appropriation bills. pp. 2975-7

85TH CONGRESS
1ST SESSION

S. 323

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1957

Referred to the Committee on Agriculture

AN ACT

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 334 (e) of the Agricultural Adjustment Act
4 of 1938, as amended (7 U. S. C. 1334), is amended to read
5 as follows:

6 “(e) Notwithstanding any other provision of this Act,
7 the Secretary shall increase the farm marketing quotas and
8 acreage allotments for the 1957 crop of wheat for farms
9 located in counties in the States of North Dakota, Minnesota,
10 Montana, South Dakota, and California, designated by the

1 Secretary as counties which (1) are capable of producing
2 durum wheat (class II) and (2) have produced such wheat
3 for commercial food products during one or more of the five
4 years 1952 through 1956. The increase in the wheat
5 acreage allotment for any farm shall be conditioned upon
6 the production of durum wheat (class II) on such increased
7 acreage. The increased allotment shall be determined by
8 adding to the allotment established without regard to this
9 subsection (hereinafter referred to as the 'original allotment')
10 an acreage equal to the acreage by which the original allot-
11 ment exceeds the 1957 acreage on the farm of classes of
12 wheat other than durum wheat (class II) (hereinafter
13 referred to as 'other wheat'), but such increased allotment
14 shall not exceed the smaller of the cropland on the farm
15 well suited to wheat or the wheat acreage on the farm:
16 *Provided*, That for the purposes of this subsection (1) the
17 original allotment for each farm shall be not less than fifteen
18 acres, and (2) varieties of class II (durum wheat) known
19 as 'Golden Ball' and 'Peliss' shall be regarded as 'other
20 wheat'. Notwithstanding any other provision of this sub-
21 section, (1) no acreage allotment shall be increased under
22 this subsection by more than sixty acres, and (2) no

1 acreage allotment shall be increased under this subsection
2 for any farm on which the producer knowingly devotes
3 to the production of other wheat an acreage in excess
4 of the acreage allotment established without regard to this
5 subsection (and particularly without regard to clause (1) of
6 the foregoing proviso).

7 “The increases in wheat acreage allotments authorized
8 by this subsection shall be in addition to the National, State,
9 and county wheat acreage allotments, and the acreage of
10 durum wheat (class II) on such increased allotments shall
11 not be considered in establishing future State, county and
12 farm acreage allotments.

13 “The provisions of paragraph (6) of Public Law 74,
14 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and
15 section 326 (b) of this Act, relating to the reduction of the
16 storage amount of wheat shall apply to the allotment for
17 the farm established without regard to this subsection and
18 not to the increased allotment under this subsection.

19 “For the purpose of applying section 103 (a) (1) of
20 the Soil Bank Act (relating to participation in the acreage
21 reserve) to any farm receiving an increased allotment under
22 this subsection—

1 “(1) the ‘farm acreage allotment’ shall be the allotment
2 established without regard to this subsection and not the
3 increased allotment under this subsection, and

4 “(2) each acre planted to durum wheat (class II) shall
5 count as one-half acre of wheat.

6 For the purposes of this subsection ‘wheat acreage on the
7 farm’ shall include acreage in the wheat acreage reserve.”

Passed the Senate March 8 (legislative day, March 2),
1957.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

MAY 11, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: (See Page 7).

HOUSE

WHEAT. The Agriculture Committee reported without amendment S. 323, to continue increased acreage allotments for durum wheat (H. Rept. 198). Rep. Albert announced that this bill will be debated today under suspension of the rules. pp. 3400, 3434

2. AGRICULTURE INVESTIGATIONS. Agreed to as reported H. Res. 163, providing \$50,000 for investigations by the Agriculture Committee. pp. 3405, 3434

3. THE AGRICULTURE COMMITTEE ORDERED THE FOLLOWING BILLS REPORTED:

H.R. 3988, to amend the Bankhead-Jones Farm Tenant Act, ss amended, to provide more flexibility in refinancing loans; p. D210

H.R. 1045, with amendment, to make permanent the Federal administration of the ACP program; p. D210

H.R. 3753, with amendment, to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen: to the same extent as such assistance is available to homestead entrymen: p. D211

4. APPROPRIATIONS. The Appropriations Committee reported (Mar. 15, pursuant to a special order) without amendment H.R. 6070, the independent offices appropriation bill for 1958 (H. Rept. 197). p. 3434

5. FARM INCOME. Rep. Patman discussed the effects of increased interest rates on the income of farmers. pp. 3409-10
6. FISHERIES. Agreed to as reported H. Res. 179, providing \$50,000 for investigations by the Merchant Marine and Fisheries Committee. p. 3405
7. FEDERAL FINANCES. Received from the Treasury Department a report on the finances of the Federal Government for the 1955 fiscal year (H. Doc. 3). p. 3433
8. PERSONNEL. Received from the Labor Department a proposed bill to provide for the reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies; to Education and Labor Committee. p. 3433
Received from the Labor Department a proposed bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the U. S.; to Education and Labor Committee. p. 3433
9. FEDERAL OFFICE SPACE. Received from the GSA a proposed bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of GSA to lease space for Federal agencies for periods not exceeding 30 years; to Government Operations Committee. p. 3433

SENATE

10. LOANS. Received from the Mont. Legislature a resolution urging legislation to forestall any increase in Veterans' Administration guaranteed loan interest rates, to authorize an increase in loan funds, to prohibit discounting of such mortgages, and to raise the maximum allowable loans. p. 3339
11. PERSONNEL. Both Houses received from the President the annual report of the Civil Service Commission for fiscal year 1956. pp. 3333, 3406
12. TERRITORIES. Received from the Department of Commerce a proposed bill to amend 63 Stat. 907, authorizing the Department of Commerce to provide medical and other facilities for itself and Federal agencies in Alaska and other places. p. 3338
Sen. Neuberger criticized the President for neglecting to appoint a Governor of Alaska to officiate during the biennial session of the territorial legislature. p. 3364
13. ROADS. Both Houses received from the Department of Commerce a proposed bill to amend the Federal-Aid Road Act to promote the control of advertising along the National System of Interstate Highways. pp. 3338, 3433
14. COLUMBIA RIVER. Received a resolution of the Ore. Legislature urging a widened ship channel from Portland to the Pacific. p. 3338
Passed without amendment S. 1482, to amend the Columbia Basin Project Act to increase the limitation on the acreage one family might have of irrigated land. p. 3365
15. TAXATION. Received a resolution from the Mont. Legislature urging the Federal Government to deny Wyo. the right to collect sales or use taxes in Yellowstone National Park. p. 3339
Sen. Williams submitted his third annual report on tax delinquencies as of Dec. 31, 1955, showing the employment and income taxes withheld and unpaid. pp. 3366-73

DURUM WHEAT ALLOTMENTS

MARCH 18, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 323]

The Committee on Agriculture, to whom was referred the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The purpose of this bill is to authorize on an emergency basis additional allotments of durum wheat for 1957. Hearings were held by the committee on three similar House bills (H. R. 2126 by Mr. Anderson of Montana, H. R. 2160 by Mr. Krueger, and H. R. 4362 by Mr. Berry). Subsequent to the committee hearings on these bills the bill reported herewith (S. 323) passed the Senate and is reported by this committee without amendment.

About 5 years ago production of durum wheat began to be seriously curtailed by a stem rust disease. Production was reduced from a 10-year average of 37.4 million bushels to 13.9 million bushels in 1953 and 5.5 million bushels in 1954. Normal requirements are approximately 35 million bushels.

Emergency legislation was enacted for the 1954, 1955, and 1956 crops of durum wheat to permit planting of additional acreage in order to offset the reduced production resulting from the stem rust disease. Substantial progress has been made in combating the disease but additional acreage is still required in 1957. The additional acreage which will be authorized by this bill is somewhat less than half of the additional acreage authorized in 1956.

The Senate report which is appended hereto and made a part of this report explains in considerable detail the need for this legislation.

The Senate bill was amended on the floor to provide a limit of 60 acres of wheat acreage increase for any one farm. As reported by the Senate Committee on Agriculture and Forestry the increase was limited to 100 acres. In all other respects the bill is identical with that reported by the Senate committee and described in the Senate report.

[S. Rept. No. 97, 85th Cong., 1st sess.]

GENERAL

This bill would, on a greatly reduced basis, extend to the 1957 crop the increased durum wheat acreage allotment provisions of section 334 (e) of the Agricultural Adjustment Act of 1938. The bill, with the committee amendments, modifies section 334 (e) in the following respects:

- (1) It extends it to the 1957 crop.
- (2) It provides for increasing allotments by only 1 acre of durum (instead of 2) for each acre of the original allotment devoted to durum. (Thus the bill provides for a one-third reduction in allotment below 1956 for farmers planting the full amount authorized by section 334 (e).)
- (3) It limits the increase for any farm to 100 acres.
- (4) It limits the extent to which farmers receiving increased allotments may participate in the wheat acreage reserve. No part of the increase, or of that part of the original allotment on which the increase is based, would be permitted to be put in the acreage reserve.

HISTORY OF CRITICAL DURUM SITUATION

In January 1954 Congress enacted section 334 (e) to provide increased allotments in 1954 and 1955 for durum wheat, which was then in critically short supply. This legislation proved insufficient and early in 1955 Congress passed Public Law 8, 84th Congress, to increase allotments further. The Department of Agriculture, after discussing the urgency of the need for legislation in its report of January 20, 1955, on S. 145 (S. Rept. 9, 84th Cong.), described the situation as follows:

Durum wheat, class II, has a usage substantially different from that for any other class of wheat because it is the source of semolina from which satisfactory quality macaroni products are manufactured. It is a spring wheat and is grown in the States of North Dakota, South Dakota, Montana, and Minnesota. The supply situation with respect to durum wheat is critical, due to damage from stem rust "race 15b." In 1952 the production of durum wheat totaled 22 million bushels, which was only 60 percent of the 10-year 1942-51 average production of 37.4 million bushels. In 1953 the crop was 13.9 million bushels and the estimate for the 1954 crop is only 5.5 million bushels. The normal requirement for domestic use, exports, and carryover is about 35 million bushels per year.

These three successive crop failures have endangered the entire durum wheat industry both on the production and

milling sides. The macaroni industry members report it is faced with a shrinking market due almost entirely to the production of an inferior product resulting from the use of classes of wheat not well suited for such products.

An effort was made by the Congress in 1953 to relieve the situation by enacting section 4 of Public Law 290 (68 Stat. 4). Under this statute the 1954 acreage allotments and marketing quotas for wheat producers who had grown durum wheat during 1 or more of the preceding 3 years were increased to permit the growing of increased acreages of durum wheat, class II. Our investigation indicates that the program, under these provisions, has not and will not be effective because (1) the seeding of other spring wheat is limited to the pro rata share of the regular wheat allotment attributable to such spring wheat as a condition of qualifying for the additional allotment for durum wheat, and (2) eligibility for the additional allotment to produce durum is dependent upon the producers having grown durum wheat, class II, in 1 or more of the preceding 3 years. Producers feel that the growing of durum wheat against the hazards of stem rust "race 15b" is too great to expect them to gamble on seeding a substantial part of their farm wheat acreage allotments to such class of wheat.

Under the proposed bill, farmers would be permitted in areas capable of producing durum wheat, class II, from which acceptable semolina may be produced for the production of satisfactory macaroni products, to grow such class of wheat over and above the regular farm wheat acreage allotments without regard to the class of wheat seeded within the allotments. The acreage permitted to be grown would be limited only by the total acreage of cropland on the farm well suited for the production of wheat. Farmers operating in the areas to be selected would be eligible for the increased allotments for durum wheat production regardless of whether they had previously produced such wheat.

By early 1956, with the aid of durum allotments limited only by the cropland well suited for wheat production, the situation was somewhat improved, and Congress extended section 334 (e) to the 1956 crop, but limited the increase in allotments to 2 additional acres of durum for each acre of the original allotment devoted to durum. With the aid of this legislation, favorable weather conditions which produced yields averaging between a third and a fourth higher than yields during the 5-year period 1948-52, and the planting to durum of acreage on which winter wheat had been winterkilled in Montana, it is estimated that the 1956 crop will exceed consumption and exports by about 10 percent. Contributing further to this balancing of supply and demand for 1956 is the fact that macaroni manufacturers, during the period of shortage, had switched to a blend of farina and semolina. Because they had already contracted for other wheats, and because the abundant supply of the 1956 crop was not available during the first 3 months of the marketing year, macaroni manufacturers have used less semolina flour this year than would have otherwise been the case. This is also true of the breakfast-food industry. Macaroni

manufacturers testified that they intend to return to the use of 100 percent semolina.

In view of the fact that the balance of supply and demand in 1956 was dependent upon so many factors, which cannot be counted upon in 1957, your committee recommends that incentives for durum production should be extended to the 1957 crop; although it may now be safe to reduce those incentives by 50 percent. Two million, five hundred fifty-eight thousand acres were planted to the 1956 crop of durum wheat. The Department advises that no figures are available as to what part of this acreage represents additional acreage provided for by section 334 (e), but since for any farm 2 out of 3 acres could represent additional acres, termination of section 334 (e) could result in a substantial reduction in acreage. Furthermore, witnesses before the committee testified that farmers do not intend to plant any part of their allotments to durum unless some incentive is provided, in view of the difficulties they have had with it in recent years and the high yields which can be obtained from certain other wheats. Last year, when Montana winter wheat was subject to winterkill, durum acreage increased from 271,000 acres in 1955 to 978,000 acres in 1956. Montana, it appears, will have a good winter wheat crop this year, and it is likely that many Montana farmers who grew durum last year will not do so this year.

The Department of Agriculture reported that it does not favor enactment of S. 323, principally because (1) rust resistant strains of durum are now in adequate supply, (2) the 1956 crop exceeded domestic consumption and exports, and (3) the industry has already lost a part of its market since macaroni producers have developed satisfactory blends of semolina and farina. Your committee does not agree with the Department's views. The macaroni manufacturers have testified that they want and intend to return to pure semolina, since it will make the best product and is demanded by consumers. Since the beginning of the shortage of semolina a part of their market has been taken over by imports which have increased from 689,000 pounds in 1949 to 5,262,574 pounds in 1955. Your committee feels that until the macaroni industry, the semolina millers, and the durum producers are assured of an adequate supply and given a fair chance to regain their lost markets, Congress should not reduce durum allotments more than is provided by the bill.

[In millions]

DURUM WHEAT ALLOTMENTS

5

	1948-50	1949-50	1950-51	1951-52	1952-53	1948-52 5-year average	1953-54	1954-55	1955-56	1956-57 indi- cated	1957-58 esti- mated
Supplies:											
Beginning stocks (grain only, July 1)	9,475	16,593	22,961	22,207	14,413	17,130	6,637	4,755	3,040	8,500	12,500
Production (all States)	42,163	36,343	35,671	34,072	22,404	34,131	13,605	5,148	19,591	39,875	30,000
Imports (grain plus products)	13	18	238	441	210	184	72	142	175	175	175
Total	51,653	52,954	58,870	56,720	37,027	51,445	20,314	10,045	22,806	48,550	42,675
Balance item								1,000			
Adjusted total								11,045			
Utilization:											
Food ¹	22,500	22,750	24,000	25,750	24,400	23,880	12,750	5,985	10,000	19,000	21,200
Feed and loss ²	4,133	1,960	600	400	215	1,462	512	45	300	425	400
Seed	4,844	3,758	3,393	3,089	2,852	3,587	2,122	1,860	3,200	3,200	3,200
Domestic disappearance	31,477	28,468	27,993	29,239	27,467	28,929	15,384	7,890	13,500	22,625	24,800
Exports:											
Grain	2,537	1,125	8,349	12,787	2,644	5,480	41	0	239	13,000	9,000
Semolina and flour	81	131	116	153	129	122	351	377	3141	3,225	175
Macaroni and products	965	289	205	128	150	343	383	338	376	200	200
Total exports	3,583	1,525	8,670	13,068	2,923	5,954	175	115	456	13,425	9,375
Total disappearance	35,060	29,993	36,663	42,307	30,390	34,883	15,559	8,005	14,306	36,050	34,175
Ending stocks (grain only, June 30)	16,593	22,961	22,207	14,413	6,637	16,562	4,755	3,040	8,500	12,500	8,500
Amounts ground for Semolina and flour	21,684	21,630	23,337	23,533	23,668	23,170	11,915	5,861	8,476	4 (18,000)	(20,000)
Acreage, yield, and production in 3 States (North Dakota, South Dakota, and Minnesota): ³											
Acreage planted, thousands	3,016	3,466	2,743	2,483	2,258	2,793	2,061	1,637	1,385	2,558	2,300
Acreage harvested, thousands	2,962	3,284	2,659	2,417	2,109	2,686	1,828	1,309	1,348	2,386	2,200
Yield per planted acre, bushels	13.8	10.4	12.8	13.4	9.7	12.0	6.2	3.0	14.1	15.6	13.0
Production, thousand bushels	41,521	35,946	34,979	33,372	21,818	33,529	12,708	4,982	19,580	39,875	30,000

¹ Total grind less exports of semolina and macaroni products, plus estimated use for breakfast cereals.

² Residual. Includes possible statistical errors in supply and utilization data as reported.

³ Assumes blends averaging 60 percent durum in 1953-54, 30 percent in 1954-55, 60 percent in 1955-56 and 75 percent in 1956-57.

⁴ Durum ground during 6 months July-December 1956 only 7 million bushels. Estimate of 18 million bushels for year may be optimistic.

⁵ As reported by AMS through 1953. Beginning with 1954 Montana is included; beginning with 1956 unofficial estimates for California also are included.

⁶ California production reported unofficially: 7,381 planted acres at 35.4 bushels/acre equals 261,382 bushels, added to AMS estimate for 4 States.

Source: Grain Division, Commodity Stabilization Service, Department of Agriculture, Washington, D. C., Feb. 12, 1957.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 334. * * *

(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the **[1956]** 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years **[1951]** 1952 through **[1955]** 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the "original allotment") an acreage equal to **[two times]** the acreage by which the original allotment exceeds the **[1956]** 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as "other wheat"), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as "Golden Ball" and "Peliss" shall be regarded as "other wheat". Notwithstanding any other provision of this subsection, (1) *no acreage allotment shall be increased under this subsection by more than 60 acres*, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

(1) the "farm acreage allotment" shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection "wheat acreage on the farm" shall include acreage in the wheat acreage reserve.



Union Calendar No. 50

85TH CONGRESS
1ST SESSION

S. 323

[Report No. 198]

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1957

Referred to the Committee on Agriculture

MARCH 18, 1957

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 334 (e) of the Agricultural Adjustment Act
4 of 1938, as amended (7 U. S. C. 1334), is amended to read
5 as follows:

6 “(e) Notwithstanding any other provision of this Act,
7 the Secretary shall increase the farm marketing quotas and
8 acreage allotments for the 1957 crop of wheat for farms
9 located in counties in the States of North Dakota, Minnesota,
10 Montana, South Dakota, and California, designated by the

1 Secretary as counties which (1) are capable of producing
2 durum wheat (class II) and (2) have produced such wheat
3 for commercial food products during one or more of the five
4 years 1952 through 1956. The increase in the wheat
5 acreage allotment for any farm shall be conditioned upon
6 the production of durum wheat (class II) on such increased
7 acreage. The increased allotment shall be determined by
8 adding to the allotment established without regard to this
9 subsection (hereinafter referred to as the 'original allotment')
10 an acreage equal to the acreage by which the original allot-
11 ment exceeds the 1957 acreage on the farm of classes of
12 wheat other than durum wheat (class II) (hereinafter
13 referred to as 'other wheat'), but such increased allotment
14 shall not exceed the smaller of the cropland on the farm
15 well suited to wheat or the wheat acreage on the farm:
16 *Provided*, That for the purposes of this subsection (1) the
17 original allotment for each farm shall be not less than fifteen
18 acres, and (2) varieties of class II (durum wheat) known
19 as 'Golden Ball' and 'Peliss' shall be regarded as 'other
20 wheat'. Notwithstanding any other provision of this sub-
21 section, (1) no acreage allotment shall be increased under
22 this subsection by more than sixty acres, and (2) no

1 acreage allotment shall be increased under this subsection
2 for any farm on which the producer knowingly devotes
3 to the production of other wheat an acreage in excess
4 of the acreage allotment established without regard to this
5 subsection (and particularly without regard to clause (1) of
6 the foregoing proviso).

7 “The increases in wheat acreage allotments authorized
8 by this subsection shall be in addition to the National, State,
9 and county wheat acreage allotments, and the acreage of
10 durum wheat (class II) on such increased allotments shall
11 not be considered in establishing future State, county and
12 farm acreage allotments.

13 “The provisions of paragraph (6) of Public Law 74,
14 Seventy-seventh Congress (7 U. S. C. 1340 (6)), and
15 section 326 (b) of this Act, relating to the reduction of the
16 storage amount of wheat shall apply to the allotment for
17 the farm established without regard to this subsection and
18 not to the increased allotment under this subsection.

19 “For the purpose of applying section 103 (a) (1) of
20 the Soil Bank Act (relating to participation in the acreage
21 reserve) to any farm receiving an increased allotment under
22 this subsection—

1 “(1) the ‘farm acreage allotment’ shall be the allotment
2 established without regard to this subsection and not the
3 increased allotment under this subsection, and

4 “(2) each acre planted to durum wheat (class II) shall
5 count as one-half acre of wheat.

6 For the purposes of this subsection ‘wheat acreage on the
7 farm’ shall include acreage in the wheat acreage reserve.”

 Passed the Senate March 8 (legislative day, March 2),
1957.

Attest:

FELTON M. JOHNSTON,

Secretary.

85TH CONGRESS
1ST SESSION

S. 323

[Report No. 198]

AN ACT

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

МАРЧ 11, 1957

Referred to the Committee on Agriculture

МАРЧ 18, 1957

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 20, 1957
For actions of March 19, 1957
85th-1st, No. 47

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HIGHLIGHTS: House passed durum wheat allotments bill. Ready for President. House debated independent offices appropriation bill. Senate committee reported bill to provide for Jt. Congressional Committee on Budget (Mar. 18).

HOUSE

1. WHEAT. Passed without amendment H.R. 323, to continue increased allotments for durum wheat. This bill will now be sent to the President. pp. 3509-11
(See Digest 41 for the provisions of the bill as passed.)
2. APPROPRIATIONS. Began debate on H.R. 6070, the independent offices appropriation bill for 1958. pp. 3511-43
The bill includes appropriations for the Civil Service Commission, Federal Civil Defense Administration, President's disaster relief fund, General Accounting Office, General Services Administration, Interstate Commerce Commission, National Science Foundation, National Security Training Commission, Selective Service System, and Veterans Administration.
In its report the committee included the following statements:
Vehicles. "The Committee has denied all requests for additional automobiles and it urges each agency of the Government to use the GSA motor pools located throughout the United States for meeting necessary automotive needs."

Travel. "In its examination of the budget estimates the Committee notes that there are substantial increases for travel. The per diem rates were increased from \$9 to \$12 in last year's budgets. It appears that the higher the per diem, the more travel, so the Committee is denying all increases in travel over last year."

Personnel. Under Civil Service Commission, "The amount provided permits the Commission to staff the same number of employees as in 1957... While the Budget provides for larger numbers in 1958, the Committee knows the agency personnel budgets can and will be reduced. In view of this fact, and that Government employee turnover rate is level or on a downward trend, there seems to be no vital need for additional personnel."

Civil defense. The Committee recommends that funding of additional stockpile material which adds to supplies already on hand can be safely deferred..."

General Services Administration:

"The contingent amount in the estimates for wage board pay increases is not allowed, as the Committee does not approve of contingent appropriations, but it will recommend appropriations as are necessary when the actual need for such appropriations arrives."

"The Committee is of the opinion that the air-conditioning program can be extended over a longer period of time than was proposed in the Budget."

"Next year the Committee will consider financing for a \$350 million to \$500 million public buildings program by direct appropriation if the present lease-purchase program is not operating satisfactorily."

3. COPYRIGHTS. Passed without amendment H.R. 277, to amend title 17 of the U. S. Code entitled "Copyrights" to provide for a statute of limitations of 3 years with respect to civil actions. p. 3502
4. SMALL BUSINESS. Rep. Multer announced that the Small Business Committee would begin hearings Tues., Mar. 26, on improvements and extension of the Small Business Act. pp. 3539-40
5. FORESTS. Rep. Aspinall spoke in favor of legislation (H.R. 3592) for the establishment of a National Outdoor Recreation Resources Review Commission to study the outdoor recreation resources of the U. S. pp. 3557-59
6. FARM PROGRAM. Rep. Patman discussed a recent speech by Sen. Johnson on various national issues, including "the plight of our small farmers". p. 3559
7. SEEDS. Received from this Department a proposed bill to amend the Federal Seed Act to add sugar beet seed to the list of seeds covered by the Act, require labeling as to germination of all components of agricultural seed mixtures, provide for the labeling of mixtures of vegetable seeds, and authorize importation of seed for experimental purposes under certain conditions; to Agriculture Committee. p. 3560
8. RECLAMATION. Passed over, at the request of Rep. Cunningham, H.R. 2146, to amend the Small Reclamation Projects Act of 1956. p. 3502

in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. John P. Ruppert, United States Army (serial number O62273), the sum of \$934. Such sum represents the amount of judgments and costs (and legal expenses incident thereto), for which Maj. John P. Ruppert was held liable to Mr. Maurice des Rieux of Etampes, France, and others, on December 24, 1953, by the Court of First Instance at Etampes, France. This court action was brought by a French landlord against Major Ruppert for rent and expenses incident to the lease of a private house in the Etampes District. Said officer entered into the lease agreement in connection with his overseas assignment, was not familiar with local habits, customs and legal procedures, and acted upon assurances given by the legal adviser of the military headquarters: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LT. COL. EMERY A. COOK

The Clerk called the bill (H. R. 2950) for the relief of Lt. Col. Emery A. Cook.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Col. Emery A. Cook (8004-A), United States Air Force, the sum of \$1,360.54. The payment of such sum shall be in full settlement of all claims of the said Emery A. Cook against the United States for refund of expenses incurred in January 1954 in shipping his household effects from Berkeley, Calif., to Randolph Air Force Base, Tex. The said Emery A. Cook, who was transferred under special orders 111 (dated May 9, 1953) from overseas duty to a permanent station at Randolph Air Force Base after completion en route of a course of education at the University of California, shipped his household effects to Berkeley under such orders in reliance upon his expectation (derived solely from erroneous information given him by transportation personnel of the Air Force) that the effects would be reshipped from Berkeley to Randolph Air Force Base at Government expense upon completion of such course of education; but such reshipment was denied, on the ground that only one such shipment may be made under any one set of orders, with the result that he was compelled to pay the expenses of reshipment out of his own funds: *Provided*, That no part of the amount ap-

propriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 334 (E) OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

Mr. ALBERT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

The Clerk read the bill as follows:

Be it enacted, etc., That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during 1 or more of the 5 years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than 15 acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat.' Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm

established without regard to this subsection and not to the increased allotment under this subsection.

"For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve."

The SPEAKER. Is a second demanded? [After a pause.] If not, the question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. ANDERSON], the gentleman from South Dakota [Mr. McGovern], and all Members may have permission to extend their remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the purpose of this bill is to authorize increased allotments for durum wheat for the 1957 crop.

Durum wheat is a specialty type of wheat used in the manufacture of macaroni and spaghetti and produced in this country only in North Dakota, Montana, Minnesota, South Dakota and California. Historically North Dakota has been the major producer of this kind of wheat, and at the present time durum wheat is produced principally in that State and in Eastern Montana.

The evidence presented to the Committee on Agriculture indicated that up until last year there had been for several years a critical shortage of this kind of wheat. This shortage had been due principally to damage from a form of stem rust called Race 15B. As a result of this epidemic, production fell far below normal consumption and millers found it necessary to substitute blends for the pure varieties of durum wheat traditionally used. Representatives of millers testified that these substitutes were not satisfactory and that the trade would go back to 100 percent durum usage if supplies should become dependable.

In 1955 the Congress, recognizing the shortage of durum wheat, enacted legislation providing increased allotments for durum wheat producers in a so-called 2-for-1 program. Under this program, a farmer seeding 1 acre of his wheat allotment to durum would be given 2 additional acres over and above his allotment. This law was in effect last year and for the first time in several years a surplus of durum was produced. The evidence before the commit-

tee indicates, however, that we cannot depend upon last year's history. Two things happened which tended to augment the production of durum wheat. In the first place, there was a winter wheat freeze in Montana and a considerable portion of the acreage in that State was reseeded to durum wheat which is a form of spring wheat. In the second place, the season was unusually good in the durum wheat area and production was abnormally high. There is no reason to expect the same results this year. Representatives of farm organizations and the industry who appeared before our committee were all of the opinion that unless increased allotments were made available to wheat farmers in the durum area, there would again be a shortage of durum wheat this year. The additional allotments provided for in this bill are much less than those authorized for the 1956 crop. In this bill we are offering a 1 for 1 program rather than a 2-for-1 program and the bill imposes a further restriction which limits increases in allotments to a total of 60 acres. In view of the carryover from last year's crop and in view of the fact that rust resistant varieties have apparently been satisfactorily developed, it is believed that the incentives offered in this bill are sufficient to insure an adequate supply of durum wheat for normal consumption and exports this year.

Mr. Speaker, in discussing this legislation, I desire to acknowledge the splendid assistance given to the subcommittee by my colleague, the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON introduced H. R. 2126 which I believe was the first bill introduced on this subject in this Congress. He approached me earlier this session about programing hearings on the bill. When the matter was heard he appeared before the committee at length and explained the need for this legislation in his State. He also presented to the committee several important witnesses who testified as to the various phases of the legislation. Ordinarily the Committee on Agriculture would have reported a House bill but the time element makes it important that we dispose of this matter as soon as possible. Again I want to congratulate my colleague from Montana [Mr. ANDERSON] for the splendid job he did in helping the committee bring this legislation to the floor and to acknowledge his contribution to the solution of this problem.

Mr. ANDERSON of Montana. Mr. Speaker, I deeply appreciate the remarks of the gentleman from Oklahoma [Mr. ALBERT] concerning my work in behalf of durum wheat acreage incentive legislation. This legislation aims at creating a firm supply of premium durum wheat, which is required if we are going to maintain and expand our macaroni and spaghetti markets. This bill is a very modest one and will not cost anybody any money. It will not help big farmers, but it will give assistance to smaller farmers in the durum wheat producing areas of the United States. It will bene-

fit both miller and processor, as well as the little farmer who receives a one-for-one acreage incentive up to 60 acres in order to induce him to raise this high-risk crop.

Finally, and probably one of the most important reasons for gaining an adequate and firm durum wheat supply concerns every home in America which uses the products made from this wheat. Durum flour, called semolina, is used to manufacture macaroni and allied products. When the flour is rich in semolina and is not heavily adulterated with other flours, it produces a superior food, with rich color, excellent taste, and exceptionally good cooking qualities. When it is adulterated, the result is a pale gray color, mediocre taste, and when cooked a minute or so too long becomes soft and mushy. So, the housewives of America will be glad to see adequate durum wheat available for semolina flour to make plenty of this good-tasting, eye-appealing macaroni and allied food products.

Mr. McGOVERN. Mr. Speaker, I wish to commend the gentleman from Montana for the splendid effort he has made on behalf of the legislation before us now.

The testimony that he presented to the Subcommittee on Wheat of the House Agriculture Committee, was one of the finest explanations of the durum problem that I have ever read. The gentleman has clearly demonstrated his basic grasp and deep understanding of the situation.

I wish to add my support to S. 323, Mr. Speaker, and to say that in my humble opinion this legislation is truly in the interest of agriculture, the durum industry, and the consuming public.

In my own great State of South Dakota prior to 1950 durum wheat farmers seeded between 200,000 to 300,000 acres annually.

But durum is a high-risk crop, extremely susceptible to the whims of nature. Thus in 1950 the dread race 15B rust borne on the wings of southwesterly winds, descended upon our Northwest and destroyed the durum crop in South Dakota and a great deal of the crop in our sister States of North Dakota, Montana, and Minnesota where all the durum is produced. A similar fate befell the crop in 1952, 1953, and 1954. Durum planting in South Dakota fell from an average of well over 200,000 acres to 15,000 in the 1952-55 period. Many durum producers turned in desperation to other less hazardous crops. As a consequence durum production in recent years has decreased tremendously.

As a result, the manufacturers of semolina products have been forced to substitute less desirable types of wheat for high quality durum. This has resulted in greatly inferior macaroni and spaghetti products.

Because of the sensitive nature of this crop and the fact that the threat of killing rust disease has not been solved, I sincerely hope that Members of the House will look favorably upon this legislation.

Mr. KRUEGER. Mr. Speaker, macaroni is better to eat when made completely from durum wheat.

So is spaghetti, so is puffed wheat, and so are all the other products traditionally made from durum wheat.

If you have had some pasty macaroni for dinner lately, and did not like it, then you will want to vote for Senate bill 323. Very simply, it provides an incentive to wheat farmers to raise more durum so there will be enough to make macaroni 100 percent from durum wheat.

This bill provides an incentive in the form of an additional acre above normal allotment for each acre planted to durum wheat within the normal allotment. It will help reduce the planting of wheat which is in surplus, and will boost the supply of durum to avoid the shortage which faces us.

There is going to be a shortage if we do not act. The Department of Agriculture has issued an optimistic forecast for production, but a pessimistic look at demand. I want to use their own figures—nothing but their own figures—to show how big the shortage is going to be unless we approve the acreage incentive.

The Department of Agriculture estimates there is enough seed of rust-resistant varieties to plant 1,438,810 acres. Some of this seed is not completely rust-resistant, and some of it is of a variety not wholly desirable, but since their figure coincides with acreage estimates based on the planting intentions of farmers, we will accept the 1.4 million acres.

The average yield for durum over the past 10 years is 11.9 bushels per acre. Assuming weather conditions permit an even average crop, the total production then will be some 17 million bushels.

The carryover is estimated at 12.5 million bushels—it jumped 4 million bushels as soon as the durum bills were introduced in this session—but assuming the carryover is 12.5 million bushels, the total supply will then be 29.6 million bushels of durum wheat to meet all demands.

The Department forecasts total exports of 9.3 million bushels. This leaves a supply for domestic needs of 21.3 million bushels.

Seed requirements for 1958 will be 3.2 million bushels—the balance now has shrunk to 18.1 million bushels.

The milling industry wants 25 million bushels. The Department says it only needs 21.2 million bushels. In either case, the supply will be at least 3.1 million bushels below what the milling industry can get along with, almost 7 million bushels below what it wants.

Unless there is an incentive provided, there will be a shortage of durum this year.

That is the story, Mr. Speaker. If we do not act, the domestic consumer will continue to get the inferior product, which has already caused a drop of roughly 1 pound per person in annual consumption in the last 10 years. If we do act, we will all benefit by the fact that macaroni is better to eat when made completely from durum wheat.

Durum acreage and production

Year	Acreage		Production (bushels)	
	National	North Dakota State	National	North Dakota State
1953.....	1,828,000	1,728,000	12,708,000	12,096,000
1954.....	1,309,000	1,210,000	4,982,000	4,235,000
1955.....	1,348,000	980,000	19,580,000	12,740,000
1956.....	2,386,000	1,225,000	39,875,000	19,600,000

NOTE.—16.6 bushels per acre harvested; 15.6 bushels per acre planted.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MACK of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1958

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6070) making appropriations for sundry independent bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. VURSELL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6070, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we have brought to you this afternoon a bill that bears some substantial cuts. Out of round figures of about \$6 billion we have reduced these estimates about \$517 million.

Mr. Chairman, before going into a few of the highlights of the bill, I would like to say that I think I have never had the pleasure of associating with a finer group of men than we have on this little subcommittee. I hope you do not mind our bragging about ourselves a little bit. We do not have too much partisanship, if any, in this subcommittee. These are independent agencies, and we usually—and I think we did this time—come out with a bill that is reasonably unanimous.

If we have any differences of opinion, we usually compromise them within the committee.

By and large, we attempted to hold this bill and the agencies involved to the same figure as last year. This year, for the first time, each agency is charged with its fair share of the contribution to the civil-service retirement fund. I hope that each Member will get copy of the report and look over the tables and read the report. Our clerks have done a beautiful job, not only in that regard, in writing this report and its tables, but generally. They are fine gentlemen and hard workers. But, bear in mind there is that money added to each one of these agencies. Some of the contributions will run to four, five, six, and seven million dollars. So, when you looking at last year's total, remember that there is added to that that agency's civil-service retirement pro rata part. That makes it a little bit larger than it was last year. We decided, after considerable deliberation, that we would put the travel item back to where it was last year. Last year, before our budgets came in, we increased the per diem from \$9 to \$12 a day. It was badly needed. A person could hardly travel for \$9 a day and make both ends meet. But we found that the desire to travel was not quite as great at \$9 a day as it is at \$12 a day. Since it has been \$12 a day, all the agencies have come in with a request for an increase in travel.

By the way, there was an increase in this bill of about \$5 million in travel. That is the amount of the increase that was requested. We denied every penny of it. We treated everybody alike and said, "You are going to stay right here." We may have to make some adjustments; there are 1 or 2 that I have in mind and perhaps in conference we shall, but I felt I should inform the Members about that, because perhaps they should have a little bit more.

There was a request here for about 300 to 350 brand new automobiles. We treated everybody alike. We said, "No, drive your old automobiles another year." So there is not a new automobile, with one exception. Our friend, the gentleman from North Carolina [Mr. JONAS], a member of the committee, had a great part in writing the legislative program for the car pools. We did approve an item for the carpools of about 800 additional automobiles. Every time you put 1 in the car pool, you take out about 2 from the agencies.

There are 2 or 3 highlights to which I wish respectfully to call the attention of the membership. We are greatly disturbed over the civil service retirement fund. Late last year we approved more benefits and it cost this fund \$3½ billion. Mr. Chairman, can you imagine that? And do you know how much we put in the fund to take care of it? Not 1 red penny. So as a result, this civil service retirement fund today is about \$17.9 billion—I did not say million; this is almost unthinkable—the fund is about \$18 billion short of being solvent. It is a debt, an honest debt that the United States Government owes. And how did it come about? It came about through

just one route and that is through the United States Government itself. It does not pay its share into that fund every year. But here are 2,200,000 Federal employees who every month—they cannot skip even 1 month—have 6½ percent of their salaries taken out by the agency for which they work. It is taken out of their paycheck and put into that fund.

The Federal Government has not done its part and as a result it is \$17.9 billion short. If we did what we ought to do this year, we should add to this bill \$564 million. We are going to wake up around here some day, and find that it is payday, and that we are going to have to appropriate \$2 billion or \$3 billion a year for 6 or 7 years, to get even; and that is going to be rough. Just think about it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. KEATING. How have payments been made to employees heretofore under such a system as that?

Mr. THOMAS. There have been, of course, some Federal contributions. This committee has several times gone above the budget estimates to the tune of \$200 million or \$300 million at a clip. But answering the gentleman's question directly, the Federal employees have been paid with their own money.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. JONAS. Right on that point, it is true, is it not, that we are putting enough money in the program for next year, 1958, to more than cover the amount of benefits? In other words, the fund is self-sufficient.

Mr. THOMAS. As of today. You do not appropriate the \$564 million interest. That ought to be done.

Mr. JONAS. There are about \$559 million in the total requests for 1958?

Mr. THOMAS. That is right. It ought to be \$564 million more.

Mr. JONAS. The amount of benefits that are estimated to be paid out next year is much less than \$559 million?

Mr. THOMAS. It is less, but you still have not appropriated within half a billion dollars of what it ought to be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Last year witnesses appearing before the House Committee on Post Office and Civil Service testified that it would take as of July 1, 1956, \$6 billion to make the Government employees' retirement fund actuarially sound.

Mr. THOMAS. Six billion dollars?

Mr. GROSS. Six billion dollars as of July 1 last year, to make it actuarially sound.

Mr. THOMAS. The committee has used the Civil Service Commission's actuaries, so the committee hired an independent actuary in June of last year to go into that figure. The figures do not vary very far. They say as of today it is about \$17.9 billion short.

Mr. GROSS. The total fund is reported to be some \$15 to \$17 billion in arrears. That is right; that is the Government's total liability which will have to be met at some future time.

Mr. THOMAS. Yes.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. REES of Kansas. There are many men and women who retired from Federal service years ago who do not receive benefits in line with those who retired more recently who are convinced they can, and should, have their retirement pay increased. They insist that such increases can be paid from funds now on hand, and that no additional appropriations are necessary to take care of such additional charges.

Mr. THOMAS. Of course any increase in retirement pay should carry a direct appropriation.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Illinois.

Mr. MASON. The overall picture, as I get it from the gentleman's explanation, is that you have a \$6 billion bill and you have cut it practically 10 percent. I say that is a mighty fine job that the delightful gentleman from Texas and his committee have done.

Mr. THOMAS. We think the gentleman from Illinois is just the finest man we know of. We like his fine work. We thank him very much.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Mississippi.

Mr. COLMER. The distinguished gentleman from Illinois took a lot of the wind out of my sails. I had risen for the same purpose. I wanted to congratulate the gentleman from Texas and the committee on the splendid job they have done.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COLMER. I wonder if the gentleman would take another minute.

Mr. THOMAS. Mr. Chairman, I yield myself 2 additional minutes.

Mr. COLMER. I just wanted to ask the gentleman if it is not true that these cuts have come pretty largely from the increases that were asked for?

Mr. THOMAS. Yes.

Mr. COLMER. Would the gentleman bear with us to give us one more answer?

Mr. THOMAS. Sure.

Mr. COLMER. How does this compare with last year's appropriation over all?

Mr. THOMAS. Employmentwise our best guess is we are between 300 and 400 employees less than we had last year.

Mr. COLMER. What I am trying to get at is, is this more or less money than we appropriated last year under this bill?

Mr. THOMAS. May I for the benefit of the committee turn to page 22 of the committee report and refer to the table? We cut it \$584,640,126 under 1957.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HAYS of Ohio. I, too, want to congratulate the chairman of the com-

mittee on the job that they have done. I would like the chairman to tell us something about what they did to the requests for additional funds for these agencies for printing. I notice, for instance, that the Civil Defense Administration asked for almost 4 times as much for printing as they actually had for fiscal year 1956. And, other agencies have asked for increases.

Mr. THOMAS. I am glad the gentleman took time to ask that question. He is a member of the Committee on Printing and certainly is a most active member, and one of the most valuable Members of the House. We have been concerned about this printing bill, with every conceivable type of pamphlet being printed throughout the Government. We made a table of the printing of this year compared with last year. The cut in printing this year as against last year is \$2 million. In round figures we had \$9,980,000 and we cut it back roughly to \$8 million, which is a cut of about \$2 million. But, last year, the printing bill for all these 18 or 20 agencies was about \$7,500,000. So even with the cuts, the increase is about \$500,000 over last year.

Mr. HAYS of Ohio. But the gentleman did cut the requests for printing?

Mr. THOMAS. Yes, about \$2 million.

Mr. HAYS of Ohio. I think that is very good. I thank the gentleman.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. BALDWIN. I have a question dealing with the veterans' hospitals. It is my understanding that the Veterans' Administration this year in its original request to the Bureau of the Budget had about \$114 million for veterans' replacement hospitals which included the hospital at Jackson, the hospital at Nashville and the hospitals to replace hospitals at Washington, D. C., Cleveland, Ohio, and Oakland, Calif. My further understanding is that the Bureau of the Budget cut those funds from \$114 million to \$50 million and in the process eliminated construction funds to replace hospitals for Washington, D. C., Cleveland, Ohio, and Oakland, Calif. I notice on page 144 of the hearings Mr. Higley's testimony where he says:

Design funds for hospital construction projects at Washington, D. C., Cleveland, Ohio, and Oakland, Calif., were provided in the 1957 appropriation; however, construction funds for these projects have not been included in this budget request in conformance with administration policy to defer construction projects which could be postponed until a later date. Current design schedules indicate that these postponements will not materially affect our construction activities if not extended beyond the fiscal year 1958.

I assume from that, this means the Veterans' Administration and the Bureau of the Budget will come in with requests for funds for these hospitals next year. I take it that the elimination of funds for these hospitals does not indicate any intent not to build them, but the committee will give consideration to this request later.

Mr. THOMAS. The gentleman's assumption is right. We thank him for coming before the committee and mak-

ing a fine statement and expressing his interest in the program.

Mr. BALDWIN. In other words, we can be assured that you will give further consideration to these funds when they come in with a recommendation next year.

Mr. THOMAS. I think you can assume the committee will do it very carefully in the light of all of your interest in it.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. DAVIS of Georgia. I also join the other gentlemen who have so properly commended the chairman and the subcommittee for their wonderful work. I want to ask the gentleman about the sum put in the bill for strategic and critical materials for the General Services Administration. I notice in the hearings that there is brought over into the 1958 fiscal year unobligated funds in the sum of \$145,680,000.

Mr. THOMAS. That is correct.

Mr. DAVIS of Georgia. The agency asked for \$130 million, and you cut it to \$19 million?

Mr. THOMAS. That is correct.

Mr. DAVIS of Georgia. Would it not be possible to also eliminate that \$19 million?

Mr. THOMAS. The answer is "Yes," in my judgment.

The CHAIRMAN. The gentleman has consumed 17 minutes.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman and Members of the House, the bill we bring you today, covering 18 important independent offices of the Government, I am sure will be of particular interest to nearly every Member of the Congress, because the services they render touch the majority of the citizens in every congressional district.

However, before I discuss the provisions in the bill, I would like to say it has been a real pleasure and privilege to me to have had the opportunity of working with the chairman of the Independent Offices Subcommittee, Mr. THOMAS. His knowledge for the past several years of the functions of these offices has been most helpful in bringing to you today such heavily justified reductions, adding up to a cut of over one-half billion—\$516,933,300—below the budget request.

I would also like to say that it has been a pleasure to work with the other distinguished members of this committee on the majority side: Mr. YATES, Mr. EVINS, and Mr. BOLAND, and on the minority side with Mr. OSTERTAG and Mr. JONAS.

I think all of the members of this committee are keenly aware of the absolute necessity to reduce the cost of Government, and to begin now. We realize that the hour is late—that the people are crying out for a reduction in taxes, in the cost of Government, and we have attempted to do something about it. All have been most helpful throughout the hearings.

In making these cuts, we have been careful and selective in an effort to ap-

Public Law 85-13
85th Congress, S. 323
April 2, 1957

AN ACT

To amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

Durum wheat.
Quotas and
allotments.
70 Stat. 50.

"(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than sixty acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso). 71 Stat. 10.
71 Stat. 11.

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. 55 Stat. 204;
52 Stat. 51.
7 USC 1326.

"For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection— 70 Stat. 189.
7 USC 1821.

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve."

Approved April 2, 1957.

IMMEDIATE RELEASE

April 2, 1957

~~James C. Hagerty, Press Secretary to the President~~

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

" I have today approved S. 323, providing for additional acreage allotments of durum wheat for 1957. I have done so with great reluctance.

" The Department of Agriculture advises that on the basis of current statistics it appears that the carry over of durum wheat on July 1, 1957, will be about fifteen million bushels. There are now approximately two million bushels of rust resistant varieties of durum wheat seed available for planting, and this seed has been distributed in the durum producing States for seeding the 1957 crop. It is more than adequate to fill all needs for durum wheat in 1957.

" In 1955 and 1956, the Department of Agriculture felt that the shortage of seed and the prevalence of rust necessitated special incentives to encourage the production of durum wheat, but this is no longer the case. So I agree with the Department of Agriculture that on economic grounds there is no justification for continuing this program, especially when it is considered that durum wheat commands a premium price. I have approved the bill, however, only because it represents a close-out of the special programs adopted two years ago. With adequate seed, and with the incentive this year to produce durum wheat that this bill provides, I will oppose any special programs for durum wheat in the future."

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS AND ARCHITECTURE

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